

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The life blood drains from Africa, Page 18

D 8523

No. 29,480

Wednesday November 21 1984

Alexia	Sch 18	Indonesia	Rp 2560	Paraguay	... 100
Bahamas	... 1.200	Italy	... 1.200	S. Arabia	... 6.000
Bahrain	... 1.200	Japan	... 1.200	Singapore	... 4.400
Belize	... 1.200	Jordan	... 1.200	Spain	... 4.400
Cambodia	... 1.200	Korea	... 1.200	Sweden	... 4.400
Cape Verde	... 1.200	Malaysia	... 1.200	Switzerland	... 4.400
Cayman	... 1.200	Mexico	... 1.200	Taiwan	... 4.400
Cuba	... 1.200	Netherlands	... 1.200	Thailand	... 4.400
Cyprus	... 1.200	Norway	... 1.200	Turkey	... 4.400
Dominican	... 1.200	Poland	... 1.200	U.S.	... 1.200
Dominica	... 1.200	Portugal	... 1.200		
Egypt	... 1.200	Qatar	... 1.200		
El Salvador	... 1.200	Romania	... 1.200		
Equatorial Guinea	... 1.200	Saudi Arabia	... 1.200		
Ecuador	... 1.200	Senegal	... 1.200		
France	... 1.200	Singapore	... 1.200		
Germany	... 1.200	South Africa	... 1.200		
Ghana	... 1.200	Spain	... 1.200		
Greece	... 1.200	Sweden	... 1.200		
Hong Kong	... 1.200	Switzerland	... 1.200		
India	... 1.200	Taiwan	... 1.200		
Indonesia	... 1.200	Thailand	... 1.200		
Iran	... 1.200	Turkey	... 1.200		
Israel	... 1.200	U.S.	... 1.200		
Italy	... 1.200				
Jamaica	... 1.200				
Japan	... 1.200				
Jordan	... 1.200				
Korea	... 1.200				
Malaysia	... 1.200				
Maldives	... 1.200				
Mali	... 1.200				
Mexico	... 1.200				
Morocco	... 1.200				
Netherlands	... 1.200				
Nicaragua	... 1.200				
Niger	... 1.200				
Nigeria	... 1.200				
North Korea	... 1.200				
Oman	... 1.200				
Pakistan	... 1.200				
Panama	... 1.200				
Paraguay	... 1.200				
Peru	... 1.200				
Philippines	... 1.200				
Poland	... 1.200				
Portugal	... 1.200				
Romania	... 1.200				
Russia	... 1.200				
Saudi Arabia	... 1.200				
Senegal	... 1.200				
Singapore	... 1.200				
South Africa	... 1.200				
Spain	... 1.200				
Sweden	... 1.200				
Switzerland	... 1.200				
Taiwan	... 1.200				
Thailand	... 1.200				
Turkey	... 1.200				
U.S.	... 1.200				

## NEWS SUMMARY

GENERAL BUSINESS

### Reagan's UN envoy to quit politics

Mrs Jeane Kirkpatrick, the U.S. hard-line ambassador to the United Nations, announced that she was returning to private life after the current UN General Assembly ends on December 10.

### Crocker National chairman resigns

CROCKER NATIONAL chairman and chief executive John Place has resigned. His decision was due, in part, to the board's approval of an agreement calling for Midland Bank to assume full ownership of Crocker. Place is succeeded by Frank Cahouet, Crocker's president.

### Basque murder

Dr Santiago Brouard, veteran leader of Herri Batasuna, the extremist Basque party linked to the ETA separatist organisation, was shot dead in Bilbao.

### Quebec move

A sudden decision by Quebec's ruling Parti Quebecois to play down the issue of provincial sovereignty in forthcoming elections underscored a growing move to bring Quebec back into the mainstream of the Canadian federal system.

### Soviet missile move

The U.S. believes the Soviet Union has temporarily stopped deploying its medium-range SS-20 nuclear missiles and is preparing some SS-20 bases for eventual deployment of a new experimental strategic missile.

### Poles skip liner

A group of 182 Polish tourists failed to return to their cruise liner from a sightseeing trip in Hamburg. At least 40 of them were taken to a hospital at various police stations in the city.

### Mexico toll rises

The death toll in the liquid gas fire in an industrial suburb of Mexico City rose to at least 270, with 2,000 burn victims and hundreds more suffering from poisoning.

### Hermes decision

France made clear its intention to press ahead with building a manned space vehicle, Hermes, for the 1990s even if its European partners decline to support the project.

### Nato row

Denmark's minority coalition government is moving towards a showdown with the socialist opposition parties over the country's relationship with Nato, which might lead to an early general election.

### Guns removed

East Germany has removed virtually all the estimated 50,000 automatic weapons along its border with West Germany which were designed to prevent escapes.

### Italy strike call

Italian trade union leaders said between 15m and 18m workers were expected to take part in a four-hour general strike today in support of demands for a fairer taxation system.

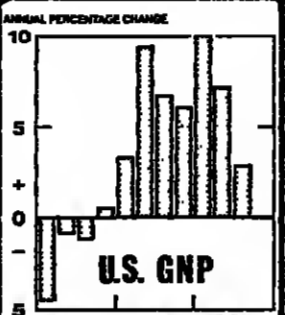
### Marcos 'well'

After days of speculation, Philippines President Marcos issued a statement saying he was in good health but stopped short of denying that he had undergone surgery.

## Slowdown in U.S. growth sharper than predicted

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE U.S. ECONOMY slowed even more sharply than first thought in the third quarter, with gross national product expanding at an annual rate of only 1.9 per cent, the Commerce Department said yesterday.



The sharp decline in corporate profits, to \$129.3bn at a seasonally adjusted annual rate, compared with a modest drop of 0.3 per cent in the second quarter. It left after-tax earnings 2.3 per cent lower than in the third quarter of 1983.

The 9.8 per cent fall in housing starts in October more than offset a revised 8.0 per cent increase in September, and brought construction activity down to 9.4 per cent below the level of October 1983. The October starts level was the lowest since 1982.

Mr Malcolm Baldrige, the Commerce Secretary, added, however, that "more relaxed credit conditions in recent weeks" should soon boost housing construction. He attributed the October decline to high mortgage interest rates during the summer.

Philip Stephens in London writes: The slowdown in U.S. growth did nothing to deter a further rise in the dollar's value, with the U.S. currency breaking through 160 marks to the dollar.

Continued on Page 20

## Brazilian and Soviet aid for Angolan dam project

BY MAURICE SAMUELSON IN LONDON

THE ANGOLOAN Government is expected to confirm today that it is to build one of the largest hydroelectric and irrigation schemes in Africa since Egypt opened the Aswan Dam at Aswan 20 years ago.

The scheme, on the Kwanza River, will cost about \$600m and will be constructed with help from Brazil and the Soviet Union. At least two thirds of the cost will be covered by the sale of Angolan oil to Brazil.

According to oil industry sources in Angola, 3 1/2 years of negotiations have led to a signing ceremony today in Luanda, the capital.

The civil engineering part of the contract, worth \$800m, is to be carried out by Construtora Norberto Odebrecht, one of Brazil's leading construction companies.

Relations stepped up with South Africa, Page 4

## Coalfield withdraws support for British pit strike

By Philip Bassett in London

MINERS' LEADERS in the small British coalfield of North Wales have told the National Union of Mineworkers (NUM) that they can no longer support the union's strike. Last night, the National Coal Board (NCB) claimed that it was the first formal split in the NUM.

The executive of the North Wales NUM said it took the decision because most of its members had returned to work. Although the coalfield is very small, with only two pits and 1,000 miners, senior NCB officials were jubilant.

Other areas, such as Nottinghamshire, which is Britain's second biggest coalfield, with 30,000 miners, and Leicestershire and South Derbyshire, have had most of their men working throughout the dispute.

UK cyclical indicators, Page 13; Tough times for U.S. farmers; Lex, Page 20; Money markets, Page 41

## Kodak plans to diversify in telecom sector

BY PAUL TAYLOR IN NEW YORK

EASTMAN KODAK, the world's largest photographic products group, is entering the highly competitive telecommunications business. The group, based at Rochester, New York, said in a surprise announcement yesterday that it planned to set up a new division of Eastman Communications "to market enhanced-value telecommunications services to business and commercial customers."

The move will pit Eastman Kodak against a wide range of U.S. telecommunications groups and others competing for a share of the fast expanding but highly competitive market for business communications.

Mr Lester Miller, Kodak's telecommunications co-ordinator who was yesterday named general manager of the new division, said Kodak's existing network had the capacity to accommodate the new business and commercial customers as well as meeting Kodak's internal needs.

Kodak said the aim of the move was to capitalise on its existing internal telecommunications network, which handles about 7m long-distance calls each year and moves nearly 1m data files between 225 locations worldwide.

Continued on Page 20

## UK reacts cautiously to decision on Laker

BY MICHAEL DONNE AND RAYMOND HUGHES IN LONDON

THE UK Department of Transport and British airlines took a cautious line yesterday about the possible effects of President Reagan's surprise decision to halt the U.S. grand jury investigation into allegations of anti-trust violations by competitors of Laker Airways.

Mr Arthur Scargill, the NUM President, again attacked the board's figures and said the press was being blatantly used by the Government and the NCB to "cripple" the NUM.

NCB officials privately acknowledged that Mr Scargill's claim that only about 51,000 miners are working might be at least partially true.

Relations stepped up with South Africa, Page 4

# Hi! Tech.

Hi! Burroughs. Hi! Pericom. Hi! Scicon. And Hi! to Monsanto, Sperry, Apollo, Marconi and the other 120 high-tech companies who've moved to Milton Keynes. If you're in high technology, why aren't you in Milton Keynes?

For further information, contact: Commercial Director, Milton Keynes Development Corporation, Saxon Court, 502 Auebury Boulevard, Central Milton Keynes. MK9 3HS. Tel: (0908) 664666.

Europe	2-3	Eurobonds	32	India: a fearful calm over the Punjab	4	Africa: the life blood drains away	18
Companies	22	Euro-options	35	U.S.: anti-trust laws sour civil aviation relations	8	Brazil: a chance to get off the debt escalator	19
America	6	Financial Futures	40	Management: UK's Street Crane pushes ahead	9	UK: atomic energy body in search of a new role	19
Companies	21-22	Gold	42	Technology: moulding metals like plastics	10	Lex: U.S. figures; Metal Box; Electrolux	20
Overseas	4	Int. Capital Markets	42	Editorial comment: Northern Ireland; UK arts	18	Belgium: rights issue tests Brussels bourse	24
Companies	24	Law	14				
World Trade	8	Letters	19				
Britain	12-14	Lex	20				
Companies	26, 28, 30	Lombard	20				
Agriculture	40	Management	40				
Appointments	24	Markets Roundtable	31				
Arts - Reviews	16	Men and Matters	18				
World Guide	16	Mining	21				
Companies	28	Money Markets	41				
Crossword	48	Raw materials	40				
Currencies	41	Stock markets - Sources	31, 34				
Editorial comment	18	Wall Street	42-44				
		London	31, 35-37				
		Technology	10				
		Unit Trusts	36-38				
		Weather	28				



EUROPEAN NEWS

Carrington plan to counter U.S. criticisms

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN BRUSSELS

NATO IS making another effort to meet U.S. congressional criticisms that Europe is not pulling its full weight within the alliance.

Lord Carrington, Nato's Secretary-General, hopes that defence ministers will approve in two weeks' time a package of measures designed to improve the alliance's ability to sustain a conventional war in Europe. The package, which will apparently involve re-allocation of resources rather than increasing defence budgets, will be aimed at improving war reserve stocks, strengthening airfields, hardening aircraft shelters against nuclear attack, and

other so-called infrastructure programmes which account for less than 1 per cent of overall Nato defence spending.

The package is a specific response to criticism from the U.S. Congress spearheaded by Senator Sam Nunn. Last June Mr Nunn tabled an amendment containing a detailed plan for the progressive withdrawal of U.S. troops from Europe unless Nato member governments there undertook to improve the infrastructure which would facilitate reinforcement by the U.S. to wartime. The amendment was not passed but many believe it could be revived next spring depending on progress

made now.

In the past few months, Lord Carrington has been conducting a delicate political exercise to persuade ministers to adopt an enhanced infrastructure programme. He has done so against a background of resentment about what many politicians and officials on this side of the Atlantic believe is congressional interference in European sovereign matters—although Nato as a whole has long recognised the necessity for many of the improvements for which Mr Nunn is calling.

Though the infrastructure budget is very small in comparison with Nato's overall spend-

ing on defence, it has proved one of the most contentious issues on the alliance agenda. Last May, defence ministers meeting here failed to agree on the size of the next six-year infrastructure programme, with the U.S. demanding total spending of some £7bn and West Germany leading those who want to keep it well below £4bn.

According to officials here, Lord Carrington's compromise could involve ministers agreeing next month to a total of between £5bn and £6bn, with a shift in resources towards those areas singled out by Mr Nunn. Mr Nunn's initial aim seems to have been to improve facili-

ties designed to receive U.S. reinforcements in time of war. This would apparently involve more than 40 of Nato's 230 main military airfields, where hardened shelters would be built for upwards of 60 squadrons of some 24 aircraft each.

It would also mean European countries increasing their ability to sustain a conventional war once it had started, notably by boosting war reserve stocks of ammunition and other equipment to an average of 30 fighting days. Britain apparently meets that criterion in most areas, but several European countries have no more than 10 days' supply.



Buy your Telecom shares through Help the Aged and help save lives.

From 20th November you will have the chance to share in British Telecom's future and invest in yours. But spare a thought for thousands of old people who are suffering throughout the world.

For them the future looks bleak. But by ordering your British Telecom shares through us you can help them. And it won't cost you a penny. Because when you buy your Telecom shares through Help the Aged, we'll receive a donation to help starving, sick or lonely old people that can't help themselves, so that some will have a future, that they may not have had.

Application forms available from your local post office, must be sent, together with the coupon below to Help the Aged, to arrive by midday on Tuesday 27th November, 1984.

If you have any problems obtaining a form or any questions about the issue please phone 01-623 2494 Ext 291 (Help the Aged share issue).

To: The Hon Treasurer, The Rt Hon Lord Mousley-King, Help the Aged, P.O. Box 140500, FREEPOST London EC1 1BD (no stamp needed). I enclose my British Telecom share application form with this coupon payable to BT OFFER.

Name (print name): \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

**FIGHT BIG BROTHER 1984 IS HERE!**

**ARE YOU BUGGED?**

The E17 has a tiny red light that lets you know if there is a transmitter or "bug" in your presence. This ultra miniaturized system fits in your pocket to protect your privacy everywhere!

**ARE YOUR PHONES TAPPED?**

Protect the privacy of every telephone conversation. The Tap Alert B 469 checks your telephone 24 hours a day to detect wiretaps and telephone "bugs". A flashing red light will warn you day or night if your privacy is in danger.

For further information contact Mr. Ailyn at CCS Communication Control Systems Ltd. 62 S. Audley St., London W1 Tel. (01) 629-0223 TX: 8814709

**The Royal Bank of Scotland plc**

**PREMIUM ACCOUNT**

Interest per Annum 10.00% (Effective Annual Rate 10.38%)

Telephone: 031-557 0201

Nato row could prompt Danish election

BY HILARY BARNES IN COPENHAGEN

DENMARK'S MINORITY non-Socialist coalition Government is moving towards a showdown with the Socialist opposition parties over the country's relationship with Nato amid speculation that the issue could lead to an early general election.

Parties representing a majority in the Folketing (Parliament) yesterday instructed the Government to abstain in a vote in the United Nations Disarmament Committee on a resolution by East Germany, Hungary and Cuba renouncing the first use of

nuclear weapons.

But the Government decided to ignore the instruction and told the Danish delegate to vote against the resolution, which Mr Uffe Ellemann-Jensen, the Foreign Minister, described as propaganda designed solely to embarrass Nato.

The action will produce a confrontation between the Government (consisting of Conservatives, Liberals, Centre Democrats and Christians) and the opposition in a parliamentary debate on foreign policy on December 7.

Mr Poul Schluter, the Prime

Minister, declined to say whether he would call an election if the Government finds itself in a minority after the debate, but he told a meeting of the Interparliamentary Chamber of Commerce here on Monday night that "we are nearing the point of decision." He added, however, that he would only call an election over the Nato issue if he felt sure he could win.

The Government has suffered a series of defeats on foreign and defence policy over the past two years when the Social Democratic Party has been able

to win majorities for resolutions calling on the Government to "work actively" to keep Denmark free of nuclear weapons in time of war as well as peace, and towards the establishment of a Nordic nuclear-free zone guaranteed by the superpowers.

The potential conflict between these resolutions and Nato's policy of flexible response has created a widespread impression in other Nato countries that Denmark is retreating into semi-neutrality, although the Social Democrats deny this is their intention.



Mr Poul Schluter: series of defeats

Norwegian ex-Premier Bratteli dies

OSLO — The former Norwegian Prime Minister, Mr Trygve Bratteli, who survived Nazi concentration camps and supervised Norway's development of North Sea oil, died yesterday in hospital aged 74.

Mr Bratteli was elected to Parliament in 1950, became party leader in 1965 and formed his first government in 1971. He resigned the next year after Norwegians rejected membership of the EEC in a referendum.

He became Prime Minister again after the 1973 election, resigning in 1976 for personal reasons.

Born in 1910, Mr Bratteli received little formal education and worked on whaling ships in the Arctic in his youth. Renter

EEC increases overseas aid

BY QUENTIN PEEL IN BRUSSELS

EEC MEMBER states yesterday found an extra Ecu 500m (\$375m) aid to developing countries in the next Lomé Convention thanks to the unwitting contributions of Spain and Portugal, and extra cash from Italy.

The new total of Ecu 7.5bn in the five-year programme of the European Development Fund, includes Ecu 100m to be devoted to the needs of overseas territories and dependencies — including the Falkland Islands.

However, EEC foreign ministers only reached agreement on the new figure by assuming that Spain and Portugal will pay their share after they join the Community in 1986 — although they have not yet agreed on any such contribution. In addition, they accepted an offer by Italy

to increase its payments by Ecu 150m.

The ministers had been unable to agree on how to increase their original offer of Ecu 7bn which was rejected by the African, Caribbean and Pacific (ACP) states in the convention as inadequate.

Both Britain and West Germany had refused to increase their contributions.

The money now expected from Spain and Portugal will amount to 7.1 per cent of the new package — some Ecu 560m of which a considerable amount will go towards adjusting the contribution of Belgium, Denmark and the Netherlands. The estimated balance of Ecu 250m would increase the overall aid package.

The new deal which should pro-

vide just enough extra cash for the new Lomé Convention to be signed on December 8 includes the possibility of increasing contributions from the Ten if the Spanish and Portuguese money comes to less than expected.

That could mean increased British and West German contributions although both states are adamant that in any other event they will not raise their payments. West Germany will be the largest net contributor paying Ecu 1.95bn or 26 per cent of the total, while Britain will be the third largest after France with a contribution of Ecu 1.24bn.

The agreement to insert the extra money from Spain and Portugal was the only agreement the ministers reached on the enlargement question.

Surge in imports puts Paris trade balance in deficit

By David Marsh in Paris

THE FRENCH trade balance returned to deficit last month following a sharp rise in imports, the Foreign Trade and Industry Ministry reported yesterday.

After two consecutive months of surplus, France had a trade deficit of FFr 3.4bn (\$370.5m) in October according to seasonally adjusted figures. In September, the country had a small trade surplus of FFr 477m after a surplus of FFr 3.5bn in August.

The latest figures bring the cumulative trade deficit this year to FFr 22.5bn compared with a deficit of FFr 41.8bn for the first ten months of last year.

No matter what's happening outside, heat pumps keep Top Shop comfortable inside.



In the fast-changing clothes business, there is one thing that never goes out of fashion — and that is comfort.

Top Shop is a leading chain of shops where they like their customers to browse and try on clothes in a comfortable and cheerful atmosphere, whatever the weather is doing outside.

This is a factor in successful retailing that the designers of the Cardiff Top Shop's heating and cooling system clearly warmed to.

The 530 sq m shop is totally enclosed and opens on to the covered mall of the St David's shopping arcade. In winter, heating is required mainly to preheat the premises early in the morning — though sometimes it is called for throughout the day.

In summer, a cooling system is needed, able to cope with a store occupancy of 180 people at any one time, and a fresh air requirement of 10 litres per second for each person.

Heat pumps fitted the bill perfectly. Ideally suited to the application because of their ability to accommodate quickly any fluctuations in temperature and humidity caused by the weather or internal heat gains, the heat pumps now provide a comfortable environment all the year round.

The heat pump works by drawing free heat energy from the outside air and raising its temperature so it can be used to heat the shop.

This process can be reversed automatically to draw heat out of the shop, and thereby cool it.

The outside coils, fan and compressor in this installation were sited on the roof, where they do not interfere with interior space or decor. The air handling units inside the shop were neatly installed behind the display area.

A welcoming atmosphere for shoppers and a comfortable working environment for staff are one benefit — energy efficiency and economic running costs are others. The beauty of heat pumps is that the benefits of cooling and heating, with reduced energy requirements, are produced by one system.

At Top Shop in Cardiff, electric heat pumps meet the store's heating, cooling and ventilation needs — as well as the management's fuel and cost objectives.

If you would like more details, call Bernard Hough on FREEPHONE 2282, or clip the coupon.

Please send me details about the remarkable electric heat pump and how it can help my business.

Post to: Bernard Hough, The Heat Pump and Air Conditioning Bureau, 30 Millbank, London SW1P 4RD.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company Address \_\_\_\_\_

Post Code \_\_\_\_\_ Tel \_\_\_\_\_

**PLANELECTRIC**

The Electricity Council, England and Wales C1533

OVERSEAS NEWS

# Abu Dhabi moves to lift oil output

BY RICHARD JOHNS IN LONDON AND ANGELA DIXON IN ABU DHABI

ABU DHABI has agreed with equity shareholders in its main oil producing operations on an easing of tax terms to encourage them to maximise oil liftings. Oil companies involved, particularly Shell, have responded rapidly to the incentive by raising output, according to traders. Far more dangerous to the Organisation of Petroleum Exporting Countries' efforts to restrain production, however, has been the surge in Iranian oil exports which has raised its output to above its new quota of 2.3m barrels a day. One industry estimates put the Opec rate so far in November at 16.3m b/d compared with the ceiling of 16m b/d set by last month's Opec ministerial conference in Geneva.

Yesterday, oil industry executives confirmed reports by the latest edition of the Middle East Economic Survey that the per barrel margin enjoyed by the companies operating in Abu Dhabi would be raised from \$1 per barrel to \$1.80 provided that the companies concerned lifted their full entitlements. Improved terms for the companies collectively holding a 40 per cent stake in its main on-shore and off-shore fields are aimed at boosting output to maximum levels permitted by Abu Dhabi which accounts for the bulk of the United Arab Emirates' production and capacity. Nevertheless, it may be regarded by purists within Opec as an erosion of the association's price structure.

The extra incentive could also load to the UAE exceeding its quota under Opec's production programme which was revised downwards last month from 1.1m barrels a day to 950,000 b/d. British Petroleum, Shell, Compagnie Francaise des Petroles, Mobil, Exxon and Paraflex are the shareholders in the main on-shore operation known as ADCCO-OPCO which has a maximum permitted production of 500,000 b/d. BP, CFP and the Japanese Oil Development Company consortium account for the 40 per cent stake in the ADMA-OPCO offshore operation which is permitted 210,000 b/d.

# Israel bars Palestinians from PNC meeting

By Our Tel Aviv Correspondent

ISRAEL HAS refused to allow any of the Palestinians from the West Bank and Gaza Strip who are members of the Palestine National Council to attend this week's PNC meeting which is being convened in the Jordanian capital, Amman, by Mr Yasser Arafat, the Palestine Liberation Organisation chairman. However, this has not lessened the interest in the meeting on the West Bank where the majority of the population appears to favour convening the PNC despite the opposition of the anti-Arafat forces.

Mr Elias Freij, the Mayor of Bethlehem, who supports Mr Arafat's decision to convene the PNC, called on the participants to "take decisions that meet the reality of 1984". However, opponents like Mr Bassem Shaaka, the deposed Mayor of Nablus, warn that the meeting will increase the divisions among the Palestinian people. A senior Israeli official in Jerusalem yesterday said that Israel welcomes "the inevitable split" in the PLO. "We don't consider the PLO as representative of Palestinian people."

# A fearful calm over Punjab

K. K. Sharma visits the homeland of India's Sikhs three weeks after Mrs Gandhi's assassination

THREE WEEKS after the assassination of Indian Prime Minister Mrs Gandhi by two of her Sikh security guards, fear remains rife in the Punjab: "We are on the brink of civil war," declares Khristne Kart, a Hindu and Janata Party leader who once represented the state's capital. Yet life in the strife-torn homeland of India's Sikhs now seems to go on normally—at least on the surface. Closed for nearly a fortnight after Mrs Gandhi was assassinated and widespread violence against the Sikhs erupted in Delhi and north Indian states, schools in Punjab have reopened. Shops do a brisk trade, there are the usual queues outside cinema halls and the roads are humming with traffic. Everybody agrees that the peace in Punjab is due to quick and timely preventive action by the authorities. Heavily-armed security forces kept a round-the-clock vigil in the first few days, a night curfew was clamped on all towns and thousands of potential trouble makers were rounded up and detained. The show of force remains the main deterrent.

The only outward sign of abnormality is the sudden appearance of khaki-uniformed, fully armed, steel-helmeted para military forces in trucks mounted with machine guns. These are driven slowly along crowded streets in the Sikh holy city of Amritsar, the bustling town of Jullundur and even in the capital of Punjab, Chandigarh. This does not really surprise the Sikhs and Hindus of Punjab to whom acts of terrorism and armed reprisals have been common place for nearly three years, as an increasingly militant Sikh minority battled with the Indian security forces in pursuit of an independent homeland. Indeed, the show of force, the heavy patrolling and the pickets at key road crossings, are welcome signs of a government that is actually functioning. That authority is being met in Punjab is nearly three asserted effectively is borne out by the fact that it was Punjab alone, where 52 per cent of the 30m population is made up of Sikhs, that remained free of sectarian strife following Mrs Gandhi's assassination in which an estimated 2,000 Sikhs were slaughtered by Hindus across north India. However, there is hardly anyone in Punjab who is not deeply afraid that the violence may again break the uneasy lull. A senior Sikh official who is manning the crisis management team that is keeping a 24 hour vigil on the situation in Punjab and maintaining close links with security forces throughout the state shakes his head ominously: "Sikhs are coming in from as far as Bokaro (in Bihar where the damage was particularly severe) and the worst affected parts of Delhi. They bring with them tales of horror and of atrocities committed by Hindus." As the victims of the violence flow steadily into Amritsar, the Sikh holy city and other Punjab towns, resentment among many Sikhs appears to be growing. "Who knows how it will express itself. All we can do is keep a vigil and pray that better senses prevail," says the official. Balwant Singh, former finance minister of Punjab and one of the few ranking leaders of the Sikh Akali Party at liberty, says: "What happened in Delhi set us back 500 years, the Sikhs have been humiliated." It is now widely accepted that



It was Mrs Gandhi's controversial decision—deeply resented in the Punjab—to send troops into the Golden Temple in Amritsar (the Sikh's holiest shrine, that led to her assassination. Many Sikhs actually celebrated the assassination of Mrs Gandhi by dancing in the streets and distributing sweets and this was potentially inflammatory. But they did not express their anger on Hindu Punjab when Sikhs were butchered and their homes pillaged in Delhi. This welcome development still puzzles officials and the people alike. "Possibly a collective guilt feeling overcame the Sikhs," said a Hindu leader. At the day, Punjab seemingly becomes more secure. Increasingly, Sikhs and Hindus are beginning to recall that their religions are close to each other and just three years ago two communities lived like brothers, spoke the same Punjabi language and shared the same customs. The more optimistic pray that the communal bloodletting may now be over. "Hindus and Sikhs are intimate and closely knitted. Hundreds of thousands of families are related by marriage. How can they kill each other except when madness grips them. We have seen too much of violence for three years. All Punjabis want peace," says a senior member of the Hindu nationalist Bharatiya Janata party. Sooner or later, the authorities will have to relax the harsh measures now in force in Punjab. A beginning has already been made. Even tough officials are aware that they lack the forces to control the situation should widespread violence break out. They do not rule this out and shudder at the prospect. But with each day of peace, hopes strengthen that violence will not recur and that Punjab will set a much-needed example in communal harmony.

# Hammer organises Israeli oil exploration

BY DAVID LENNON IN TEL AVIV

THE ANNOUNCEMENT by Mr Armand Hammer, head of the Occidental Petroleum Corporation (OPC), that he is organising a syndicate to search for oil in Israel has given a major boost to the country's flagging hopes of finding oil in commercially significant quantities. Mr Moshe Shabal, the Minister of Energy, said yesterday that he welcomed Mr Hammer's decision. "I assume that other investors of the same

calibre as Mr Hammer are likely to follow in his wake," he said. Mr Hammer told a dinner in Los Angeles that he will put up \$1m (£333,000) of his own money to start off the syndicate. "I believe there is oil in Israel, but the country is underexplored," he was quoted as saying. The octogenarian oilman pointed out that only some 350 exploratory wells had been drilled

in Israel since the founding of the state, compared to 5,000 sunk in the U.S. last year alone. Mr Hammer intends to visit Israel in January, to get the project under way. Mr Shahal cautioned yesterday that this project was still in the development stage. He said he will be even happier when he sees "signed agreements, the promised investment funds deposited in an Israeli bank and a working

programme for the oil search." His caution is understandable, given that the investment of \$285m, mostly by the state, in the search for oil since 1975-76 has failed to produce a single commercial well. Israel did discover oil in the Gulf of Suez during the 1970s, but that territory which had been captured from Egypt in 1967 has since been returned under the terms of the peace agreement between the two countries.



# Plan to float New Zealand dollar rejected

By Dai Hayward in Wellington

THE NEW ZEALAND Government has rejected a recommendation from Mr Trevor de Cleeve, the Associate Finance Minister, to float the New Zealand dollar. However, there is now speculation among bankers that the recent upward pressure on the currency, which was devalued by 20 per cent in July, will persuade the Government to float the dollar by late-December or early in the New Year.

Overseas funds have been flowing into New Zealand over the past few weeks, and the success of the government stock tender last week was another indication of the increasing strength of the dollar. The Government sought NZ\$400m (£157m). It was offered almost NZ\$1.3bn. Before taking action, the Government wants to assess the effects of the current wage-bargaining round, which began yesterday. The Government offered a 4 per cent wage increase, but this was angrily rejected by both the private and public sector trade unions. Militants are talking in terms of a 10-20 per cent increase.

By waiting until the New Year, the Government will also have had the benefit of receiving most of the country's export payments at devaluation levels, and will have the Christmas shopping spree behind it.

# Two Koreas in bid to reunite families

By Steven B. Butler in Seoul

SOUTH AND North Korea have agreed to hold negotiations on reuniting families divided by the Korean war. They have decided that 24 representatives from the North Korean Red Cross accompany "by 50 North Korean journalists, will visit Seoul in the near future to resume Red Cross talks that broke off 11 years ago in Pyongyang. It will be the first time in as many years that Koreans will have travelled openly across the heavily fortified border between the two Koreas.

# Marcos 'health good'

Breaking the official silence on speculations over Philippine President Ferdinand Marcos' health, the presidential palace yesterday issued a statement attributed to the President, saying: "The report of my death is an exaggeration. I am in good health and I am fully discharging all the duties and responsibilities [our people] have generously reposed in me," writes Emilia Tazara in Manila. Reports that Mr Marcos is seriously ill and the Government's own silence have thrown Filipinos into general confusion during the last few days.

# South Africa and Angola step up negotiations

BY ANTHONY ROBINSON IN JOHANNESBURG

THE FINAL withdrawal of South African troops from southern Angola, linked to hopes for a settlement in Namibia (South West Africa), came a step closer yesterday. The Foreign Ministers of Angola and South Africa are to meet "as soon as possible" to negotiate a completion of the withdrawal and discuss future co-operation on the Ruacana - Caluque hydro-electric and irrigation scheme in the Angole-Namibia border area.

Agreement on a bilateral meeting at ministerial level was reached during a one-day session of the military joint monitoring commission on Monday at N'Giva, some 50 kilometres north of the Angole-Namibia border. The commission was set up last February under the terms of the Lusaka agreement which called for the withdrawal of South African troops from the area which they occupied during a lightning strike at the

end of last year. But South African forces halted their withdrawal at N'Giva because of fears that guerrilla forces of the South West Africa People's Organisation (SWAPO) would have moved into the vacuum. The planned bilateral meeting could also provide a basis for direct talks on the wider issue of a phased withdrawal of Cuban forces from Angola linked to independence for Namibia under terms of UN Resolution 435. The Angolan offer of a phased Cuban withdrawal was discussed in Pretoria last week with Mr Chester Crocker, U.S. Assistant Secretary of State.

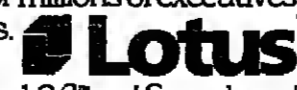
Highly placed Cuban sources have said the Government is ready to sign an agreement for withdrawal of Cuban troops from Angola. Beuter reports from Havana. The pact would be based on proposals already made by Angolan President Eduardo dos Santos.

# Could this be the biggest selling disc since White Christmas?

A few months after its release, the latest disc from Lotus is romping up the charts. Symphony is the follow-up to that other catchy number, the Lotus 1-2-3, itself the biggest selling software disc of all time. But Symphony's success isn't altogether surprising. It takes the proven benefits of 1-2-3 then adds a few ideas of its own. The spreadsheet, for instance, is even bigger (8192 rows by 256 columns, to be precise). The database is even better. Its graphics

verge on the artistic (bar charts, line charts, not to mention exploded pie charts). All in colour. Next, Symphony throws in word processing that matches the speed and the power of any popular WP program. It adds communications that let you chat with computers anywhere. And to cap it all you can put everything on the screen at the same time. So that when you change the numbers in

one window the graphics change in another. But for all this, Symphony is easier to learn and simpler to operate than programs that do half as much. To find out more about Lotus Symphony and the name of an authorised dealer call Teledata on 01-200 0200. It may not capture hearts in quite the same way as Bing's disc, but for millions of executives it'll be music to their ears.



SYMPHONY AVAILABLE FOR THE IBM PC AND XT™ COMPATIBLE AND 80286™ COMPATIBLES. 1-2-3 AVAILABLE FOR THE IBM PC AND XT™ COMPATIBLES, 80286™ COMPATIBLES, AND 80386™ COMPATIBLES. © 1984 LOTUS DEVELOPMENT CORPORATION. ALL RIGHTS RESERVED.

# IT SEEMED AS GOOD A PLACE AS ANY TO START LOOKING FOR NORTH SEA OIL.

1 9 6 5

A routine press conference in London, and an off-the-cuff remark by Shell UK's top geologist. Within minutes his comments are on every Editor's desk in Fleet Street, and by morning, being repeated the length and breadth of the country. While the sceptics scoff, the politicians pray. If what has been hinted at is indeed true, it will alter the economic and political fortunes of Britain for decades to come. Out in the North Sea, it is reported, Shell expects to strike oil.

1 9 6 6

The financial markets of London buzz with anticipation following Shell's discreet announcement of 'a significant gas discovery' 32 miles off the coast of East Anglia. Within two years Shell and other companies are bringing North Sea gas ashore, and with it a dramatic revival for the British gas industry. Plans are made for completely converting the National Grid to natural gas.

1 9 6 7

Armed with the latest seismic data, two geologists from Shell set up a small office in a tiny flat, over a bookshop, in the centre of Aberdeen. It seems as good a place as any from which to tackle their awesome task. They have been instructed to begin exploration of the vast and hostile waters of the northern parts of the North Sea.

1 9 7 1

At the northernmost offshore well yet drilled in the world, a veil of secrecy descends over Shell's activities. Communications with the mainland are suddenly coded through 'scrambler' phones. Information is rushed to Shell's scientists for prompt analysis. Until, as abruptly as they began, the exploration team cease all activity, seal the well, and are clearly seen making off for entirely new locations. A simple manoeuvre to ensure that nobody will guess what they have found.

1 9 7 2

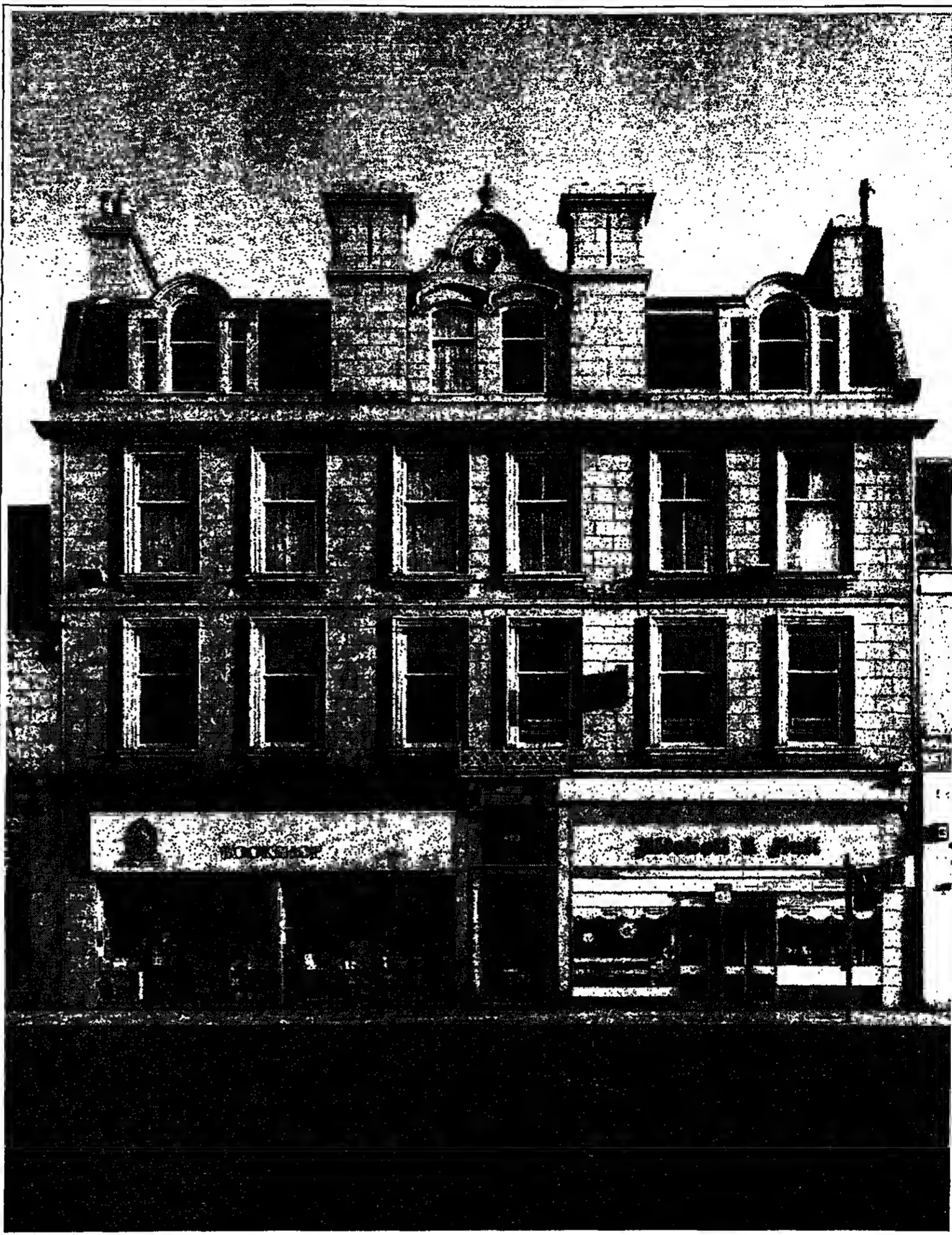
Shell proudly announces the discovery of what will prove to be a giant oil and gas find for Britain, the Brent Field.

1 9 7 4

The latest analysis of the Brent Field shows that the possible reserves of oil and natural gas liquids are double the original estimate. With Britain's oil deficit still around £3.8 billion, the news is welcome indeed.

1 9 7 6

The very high ratio of gas and gas liquids to oil being produced at Brent leads to a daring new scheme. A pipeline 278 miles long is to be laid on the seabed, to bring ashore the gas and gas liquids for separation. It will be the longest, and deepest, offshore pipeline ever built and is yet another challenge for British industry. Much of the technology required for North Sea development must be capable of operating in waves of up to 100 feet high, and in gusts of wind up to 100 miles per hour. In this instance, underwater cameras, side-scan sonars and computer systems are needed that will operate 600 feet beneath the sea.



1 9 7 8

The scheme is a success. Now it will be possible to bring the gas and gas liquids ashore for further use. The gas will be extracted and fed into the National Grid.

It would be possible to split the remainder into ethane, butane, propane and natural gasoline — important resources for industry. To do so, a highly advanced plant, costing many millions of pounds, will have to be specially built.

1 9 8 0

Work begins on the £400 million Gas Liquids Plant being built by Shell at Mossmorran, and on the 138 mile pipeline that will feed it. Soon Mossmorran will be the largest construction site in Europe.

1 9 8 2

Oil production from Brent approaches 310,000 barrels per day. This vast quantity helps transform Britain's oil deficit of yesteryear into a surplus of around £4.4 billion.

1 9 8 4

A VIP gathering to witness the opening of the new Mossmorran plant. Distinguished speakers touch on one or two environmental aspects of the plant, such as how it has been built tucked into the contours of the land so as to be as unobtrusive as possible. Also mentioned are the industrial aspects, such as how the hydrocarbons being produced will ultimately be used in the manufacturing of a thousand and one household items, from lipsticks to records.

But above all, it is noted that the opening of Mossmorran marks the culmination of the twenty years in which Shell, and the countless number of smaller British companies that have worked for her, have invested thousands of millions of pounds and great skill and ingenuity in the North Sea.

With excitement, we all look forward to the next twenty years.

YOU CAN BE SURE OF SHELL



# AMERICAN NEWS

## Maurice Samuelson assesses the safety implications of the LPG disaster in Mexico City Blasts demonstrate dangers of high-risk plants

"ONE DAY, the effects of an LPG fire will be disaster news on the front pages instead of a cold report published last year by the British Safety Council.

The prophecy was fulfilled following Monday's series of explosions at Mexico City's main gas distribution centre which killed at least 300 people and injured more than 2,000.

It was a chilling reminder of the lethal hazards involved in storage and handling of large quantities of dangerous materials, especially when this is done close to densely populated districts.

The death toll is believed to be the highest recorded in any disaster involving petrochemicals.

It is certainly the worst caused by liquefied petroleum gas. Previously the worst accident caused by a related material—propylene—was in 1978 when a gas tanker crashed near to a Spanish holiday camp, killing more than 150 people.

Britain's worst accident, not involving a fuel gas, was the destruction of the Flixborough chemical plant, owned by Nypro (UK), in 1974, in which 28 people were killed.

Otherwise, large scale accidents caused by various gases have been mercifully few and far between:

- 44 killed in 1944 in Cleveland, Ohio;

- 207 killed in 1948 in Germany;
- 23 dead in 1959 at Meldrim, Georgia;
- 21 killed in 1965 at Natchitoches, Louisiana;
- 14 dead in 1975 at Beek refinery, Holland.
- Around 80 dead in 1984 near Sao Paulo, Brazil.

In February this year in Brazil, an LPG pipeline exploded, outside a refinery in Cubatão industrial area near Sao Paulo. It is thought at least 80 people died, but the exact number of casualties, was never determined, because the explosion and subsequent fire, swept through populous slum dwelling in the vicinity.

An investigation determined that human error was responsible. Valves at one end of the pipeline were mistakenly closed, causing pressure to build up and eventually create a six-foot long rupture, in the pipe. The pipeline belonged to Petrobras, Brazil's state oil company.

LPG, an automatic byproduct of oil refining, is particularly dangerous because as well as being highly inflammable it is also very explosive and invisible.

A leakage of LPG produces large volumes of highly flammable gas which, being heavier than air, will flow along the ground or into drains until ignited by a spark or some other cause.

There have been no major disasters in the UK caused by



One of thousands rescued from the disaster area.

poison gas incident at Seveso in Italy in 1976 which caused more than £50m worth of damage.

In Britain, the Flixborough blast led to a statutory system whereby companies installing and handling hazardous substances were forced to notify their activities to the Health and Safety Executive.

Such plants are now vetted more closely by Government safety inspectors and the information which the operators provide is made available to local authorities for the purpose of planning housing, schools and other buildings in the vicinity of the potential danger zone.

As a result of the Seveso incident, where a lethal cloud of poisonous gas escaped into the atmosphere, the European Commission issued a directive, known as Cimah—Control of Industrial Major Accident Hazard regulations—which is due to be incorporated into UK legislation at the beginning of next year.

This will oblige operators of more than 250 large scale potentially dangerous plants in the UK to demonstrate what measures they have taken to prevent accidents and control and minimise those which could occur. In particular these plants will have to carry out detailed analyses of hazards and to present the results to the Health and Safety Executive.

The level of safety standards

being applied to LPG are vividly demonstrated at the £350m terminal opened last week at Mossmorran, Scotland, to handle gas liquids from the North Sea.

The standards adopted by Shell Expro, the operator, are designed to satisfy not only Government regulations but also the anxieties of the surrounding communities.

"Safety has been built in," says Mr Malcolm William, the plant manager. He was referring not just to the plant itself but to the 138 mile long pipeline which brings the liquids from the coast and the movement of gas carrying ships in and out of the nearby Braefoot Bay terminal.

International safety standards have also been incorporated in the huge network of storage plants for liquefied North Sea gas, built by the British Gas Corporation over the past 20 years.

Despite the nightmare fears originally aroused by the first ships which imported liquid gas to Britain from the U.S. and Algeria, the Corporation has had a 100 per cent safety record in handling this potentially devastating material.

For the Corporation, and most worldwide operators of high risk plants, this week's Mexican tragedy will be a lesson, but need not be a precedent, if they maintain their past record.

## Pemex disclaims responsibility for gas explosions

BY DAVID GARDNER IN MEXICO CITY

PEMEX, the Mexican State oil monopoly, has said it was not responsible for Monday morning's massive gas plant explosions in Mexico City, which by early yesterday had claimed at least 300 lives and injured over 2,000.

In the only official statement on the disaster the company has made so far, Pemex said the fire—which set off the chain of explosions—originated outside its installations, and that its liquid petroleum gas pipeline into the San Juan Ixcatepec distribution centre continued pumping normally until 6:30 am.

Since the first blast occurred one hour earlier, the statement contradicts one of the three hypotheses on the cause of the accident: that gas from a leaking Pemex pipeline had ignited.

Pemex said it was not aware of any gas leaks in the area until after the explosion. Pemex technicians were still investigating the causes of the blast yesterday, but there was no indication from the Government that an independent inquiry would be set up.

Sr Mario Ramon Beteta, Pemex chairman, said on Monday night that Pemex and its personnel were also victims of the disaster and they themselves might take legal action against whoever was found to be responsible.

The longer term question of whether such volatile installations should be sited in urban areas has not yet been raised. San Juan Ixcatepec is supplied by refineries 60 kilometres north of the capital and on the Gulf coast, but it is connected to the Azcapotzalco refinery in the north west of Mexico City.

This plant, which supplies 60 per cent of Mexico's refined products, was built in the 1930s and was initially well outside the capital. However, the break-neck expansion of Mexico City plus the rapid development of the country's oil industry has made this only one of 75 gas and refined products installations sited in the urban sprawl north of the city.

One bitter irony of yesterday's disaster was that it happened exactly 200 years after a similar catastrophe,

round of talks with the Inter-American Monetary Fund which began in Brasilia yesterday.

Bankers here say it looks almost certain that the Figueredo Government will not achieve its goal of a multi-year rescheduling agreement, extending to 1990 or 1991. More likely is a firm agreement on rolling over bank debt maturing in 1985 and an outline agreement in principle covering the following year.

Complicating the discussions is the fact that the Figueredo Government has less than four months to secure.

Mr Thomas Reichmann, head of the IMF's Atlantic Division, who is leading the IMF mission, said in Rio de Janeiro on Monday that the Brazilian external adjustment programme had been "a success." He nevertheless indicated that the Fund remains concerned about Brazil's high level of inflation and public indebtedness.

## Brazil 'will not need new money for three years'

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL will be able to manage "for the next three or four years" without new money from its commercial bank creditors, according to Sr Ernane Galveas, Finance Minister.

Releasing forecasts for the Brazilian economy for next year, the Minister said on Monday night that the current account balance of payments deficit would rise to \$2.5bn (£2.24bn) from just under \$1bn this year, while the trade surplus would be \$12.2bn compared with previous forecasts of \$10bn.

The projections, which also include real economic growth of 4.8 per cent for next year, were well received when they were presented to leading bank and industry officials at preliminary rescheduling talks in New York last week, he said.

But the negotiations, now provisionally expected to resume on December 10, are not likely to get seriously underway until Brazil has completed a new

# TWA Ambassador Class has only six seats across...



## ...with superb stretch.

The best business way to the USA is by TWA Ambassador Class. That's why more business travellers fly it across the Atlantic than any other business class.

Our seats are wide and very comfortable. They recline more than other business class seats. Which means you can really take it easy, resting or working.

There's more leg room. Which means you can stretch out more.

There are only six seats across. Which means there's more space all round, with wide aisles and fewer people.

Quickest to the plane  
TWA's Airport Express means you can reserve your seat and



get your boarding cards before you go to the airport. For all your TWA flights within America as well. And your return flights.

Think of the time and hassle that will save you.



Free helicopter service  
If you're flying to New York, you'll find our free helicopter service waiting to take you into Manhattan.

Make your next business trip to the USA one you can enjoy too. Fly TWA Ambassador Class. See your TWA Main Agent.



You're going to like us



## Quebec softens stand on sovereignty

By Bernard Simon in Toronto

A SUDDEN change by Quebec's ruling Parti Quebecois to play down the issue of provincial sovereignty in forthcoming elections has underscored a growing move to bring Quebec back into the mainstream of the Canadian federal system.

Mr Rene Levesque, Quebec's Premier, who has fought for "sovereignty-association" since the PQ came to power in 1976, said: "We must resign ourselves, at least for the next election, to the fact that sovereignty must not be at stake (at an election issue), either in totality, or in parts more or less disguised."

As recently as last June, the PQ pledged to make sovereignty a central issue of the provincial election, which is likely to be held sometime next year. But after several weeks of internal wrangling and faced with sagging popularity in opinion polls, the party has decided instead to stress economic issues in the campaign.

The decision comes amid clear signs of a rapprochement between the PQ and the Federal Government in Ottawa following the Progressive Conservative Party's landslide win in last September's federal election.

Quebec's separatist movement has had strained relations with Ottawa for almost two decades. Tensions came to a head in 1980 when a 60 per cent majority of Quebec voters rejected sovereignty in a referendum.

## U.S. securities business open to small banks

By William Hall in New York

THE ONCE strict divisions separating the commercial banking industry and the U.S. securities business have become yet more blurred following a decision by the Federal Deposit Insurance Corporation (FDIC) to allow smaller U.S. banks to enter the securities business.

In a move which is being seen as a further challenge to the U.S. Cragg which has failed to implement new banking legislation, the FDIC has adopted regulations permitting about 9,300 state chartered banks to enter the securities business.

The FDIC says it took the action because there is a loophole in the legislation. Although the Glass-Steagall Act prohibits its national banks and member banks of the Federal Reserve system from entering the securities business, it says nothing about state chartered member banks.

## LIGNITE EXPLORATION IN NORTHERN IRELAND

RELEASE OF GEOLOGICAL INFORMATION

The Department of Economic Development (Northern Ireland) announces the availability, from Wednesday, 28 November, 1984, of the results of a drilling programme of over 40 boreholes in known deposits of Lough Neagh Clays in areas of Counties Antrim, Armagh, Londonderry and Tyrone.

The drilling programme, commissioned by the Department on the advice of the Geological Survey of Northern Ireland, has demonstrated the existence of lignite deposits; more detailed assessment will be necessary to determine the full extent of these deposits and whether they can be commercially recovered. It is the Department's intention to license areas to enable further exploration work to be undertaken by mining companies.

Companies wishing to purchase the borehole data, with a view to applying for a prospecting licence under the Mineral Developments Act (NI) 1969, should write to: Mineral Branch, Department of Economic Development, Netherleigh, Massey Avenue, Belfast, BT4 2JP, enclosing a remittance of £500 and stating whether the information will be collected or should be posted on 28 November, 1984. Cheques should be made payable to the Department of Economic Development.

The closing date for receipt of applications for prospecting licences will be 28 June 1985.

# Why your investment bank and your commercial bank should be one and the same:

## Bankers Trust.

The financial needs of the modern corporation are both complex and tightly interrelated. Traditionally, a major corporation has gone to an investment bank to meet some of these needs, and to a commercial bank to meet others.

Now, one bank can provide for virtually every one of them.

Bankers Trust.

At Bankers Trust, we've taken the lending capability and breadth of non-credit services of a commercial bank and blended them with the intermediary skills and entrepreneurial spirit of an investment bank. The result is a unique institution: the worldwide merchant bank.

Since we provide almost every banking service, we can and do supply objective advice. With no vested interest in any one form of financing, we can help you weigh the pros and cons of them all.

Moreover, no financial transaction exists in a vacuum. Your company must weigh each step it might take in the light of

past decisions, current commitments, and future plans. If Bankers Trust is your bank for both investment and commercial

comprehensive service rather than piecemeal assistance.

Today, an increasing number of America's leading

banking services. These services include: **Swaps**

Our capital markets professionals in New York

one kind of interest and/or principal for another. In 1983, we wrote more than \$3 billion in swaps contracts.

**Investment management**

We are responsible for the investment of more than \$37 billion in employee benefit and personal trust assets. Employee benefit clients include over 100 of the world's major corporations and public sector entities.

**Loan participations**

Our Syndication Group granted over \$2 billion in loan participation to banks and other institutional lenders last year, a figure unsurpassed by any other financial institution. This year, our volume of participations is running at an annual rate of \$6 billion.

Worldwide merchant banking is dynamic and aggressive. It is perfectly shaped to meet both the complex needs of the modern corporation and the rapidly changing nature of today's financial world. If your company deserves this kind of leadership, come to the bank that provides it: Bankers Trust.



banking needs, we will be conversant with your company's total financial situation. Thus we can offer

corporations are coming to Bankers Trust for our unsurpassed combination of commercial and investment

and London have made us a world leader in currency and interest rate swaps, helping our customers to exchange

**Bankers Trust Company**  
Merchant banking, worldwide.

## WORLD TRADE NEWS

Michael Donne on the implications of President Reagan's move to end a probe into the Laker affair

## Why U.S. anti-trust laws sour civil aviation relations

WHILE HOPES have been raised for an early solution to the current Anglo-U.S. dispute over cheap transatlantic air fares this winter, by President Reagan's decision to halt the Justice Department's grand jury investigation into Laker Airways' anti-trust allegations, the U.S. move has far wider implications.

Aviation lawyers are careful to stress that all President Reagan has done is to stop just one particularly vexatious anti-trust investigation into possibly criminal wrongdoing that had threatened further to sour deteriorating Anglo-U.S. civil aviation relations.

He has not—and cannot under U.S. law—call a halt to the right of the Justice Department to scrutinise the actions of airlines for possible anti-trust violations, nor can he prevent individuals from pursuing their individual anti-trust complaints.

As a result, while the threat of criminal proceedings in the U.S. for alleged anti-trust violations by British Airways and British Caledonian (and several European airlines) has been lifted, the civil damages action brought against those airlines under the anti-trust laws by the UK liquidator of Laker Airways remains active on the file.

To that extent, therefore, part of the threat hanging over British Airways in its run up to privatisation next February

has been removed, but another part—the Laker liquidator's civil action—remains, and account will have to be taken of it in the prospectus for the BA shares flotation.

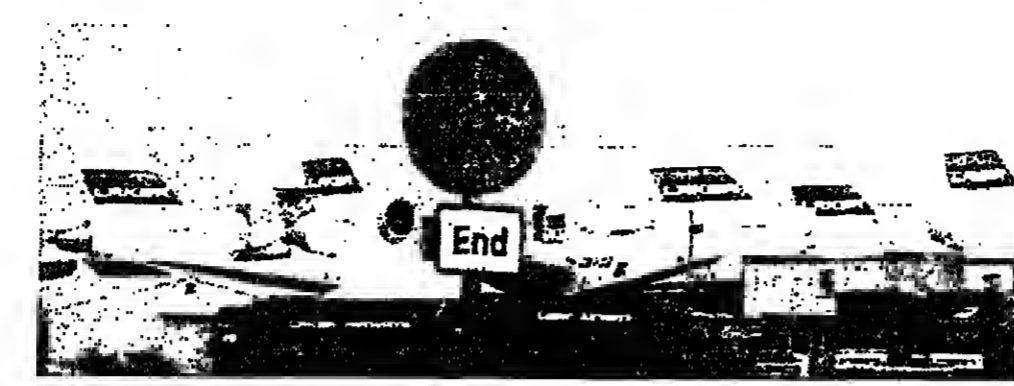
Whether, in the light of the President's action on the grand jury investigation, a speedier and acceptable solution to the liquidator's action will now be found remains to be seen.

Nevertheless, the President's action is being welcomed as an indication that the U.S. is not unaware of the severe damage being caused by its practice of extending its domestic anti-trust laws to cover foreign companies and countries.

U.S. civil aviation relations have been increasingly soured by this situation, especially where the U.S. has signed international bilateral air agreements with other countries and yet has still imposed its anti-trust laws on the other signatories.

It has been the UK Government's clear opinion throughout the entire Laker Airways affair, that the fares implemented by British Airways and British Caledonian in 1981-82 were approved by the two governments under the Bermuda Two air agreement (signed in 1977), and that it was not legally possible for Laker Airways to claim those fares were predatory or part of a conspiracy to drive it out of business.

The U.S. Government, and especially the Justice Department,



Laker Airways aircraft at their base at Gatwick Airport after the airline was grounded

ment, has consistently declined to accept that view, and all the long discussions in Washington and London by officials of the two governments have failed to resolve the impasse.

The most recent Anglo-U.S. row, over the introduction of cheap transatlantic fares this winter by British Airways and other airlines, is yet another manifestation of this difference of view between the two countries over the interpretation of Bermuda Two, and over the U.S. right to impose its anti-trust laws on foreign airlines.

This situation, until now, has had the makings of almost another Laker affair. UK and U.S. airlines filed for cheap fares from November 1, but the UK Government feared that another low-fare operator, Virgin Atlan-

tic, might file an anti-trust complaint, claiming those fares to be predatory.

To avoid having another anti-trust suit hanging over its head, in the run-up to BA's privatisation, the UK Department of Transport has banned the fares. It refuses to lift the ban, until it was a declaration from the U.S. Government that, once the fares are approved by both sides, there is no danger of a subsequent anti-trust being filed, or upheld by the Justice Department.

The UK insists that the Bermuda Two air agreement, which covers the cheap transatlantic fares just as much as it covered the fares at the time of the Laker collapse, is superior in effect to the U.S. anti-trust laws, and that the U.S. has no

right to extend those laws "extra-territorially" to cover aviation relations with foreign countries.

This, so far, the U.S. has declined to accept.

Now, however, there is some hope that the President's action will ease the situation, and result in smoother negotiations.

Foreign airlines are also watching the situation closely. For several years, the members of the International Air Transport Association flying to and from the U.S. have lived under the threat of severe anti-trust penalties, simply by being members of IATA and agreeing on fares under its aegis.

Some years ago, the U.S. Civil Aeronautics Board (CAB) issued its notorious "Show Cause" order, in which the foreign airlines were told that un-

less they could show reasons to the contrary, they would not be given any anti-trust immunity.

This led to a protracted and bitter battle with the U.S. pitched against many foreign governments, airlines and international bodies such as IATA which were fighting to establish the ascendancy of international treaties and associations over the U.S. anti-trust laws.

IATA managed to win a "stay of execution," in that the CAB decided not to pursue the "Show Cause" order for the time being. But that notorious order was not thrown out—it remains a potent threat, that the U.S. Department of Transportation and Justice can implement at any time.

This is why the latest action by President Reagan is so significant. It is argued in the airline industry world-wide that if he can recognise the damage that one major anti-trust action is causing to civil aviation relations with the UK, why cannot he also recognise that the "Show Cause" order is even more damaging, since it affects many airlines in many countries?

What remains to be seen is whether President Reagan's action is just an isolated gesture of friendship to the UK, or an indication of a softening of anti-trust application generally. Only time will provide the answer.

## How the transatlantic court battle developed

By Raymond Hughes, Law Courts Correspondent

IT IS almost two years to the day since the liquidator of Laker Airways started the aviation world by filing a \$1.1bn anti-trust damages claim against a group of international airlines in a U.S. district court in Washington.

On November 24, 1982, Mr Christopher Morris, of City chartered accountants Touche Ross, sued British Airways, British Caledonian, Pan American, Trans World, Luftansa, Swissair and two McDonnell Douglas companies.

In essence the allegation was that Laker's Skytrax competitors had conspired to destroy Laker by an agreement fixing "predatory" low-fare, loss-making fares, and by putting pressure on potential participants in a scheme to rescue Laker to withdraw their support.

That, the liquidator alleged, amounted to a breach of the anti-trust Sherman Act.

The airlines strongly denied the allegation and have fought the case hard through its preliminary stages—not the least of their worries being their liability under the anti-trust law to pay triple damages if they lost.

It was the availability of triple damages that prompted Mr Morris, concerned to get as much money as possible for Laker's creditors, to initiate the U.S. action—English law being less generous in its provision for damages.

The matter was complicated when the U.S. Justice Department set up a grand jury investigation, based on the same factual material, to see whether there had been any criminal violation of the anti-trust law.

Last May the department announced that it would not initiate criminal proceedings with regard to the alleged conspiracy to wreck the financing plan; now, as a result of President Reagan's intervention, it has been forced—much against its will—to drop the rest of the investigation.

The civil action, which was entirely separate and distinct from the grand jury proceedings, rapidly became a cause of friction between the courts of the two countries—see BA and BCal litigation, p. 12. Beside the English courts that Mr Morris had no right to involve them in the U.S. case but should bring any claim in England.

The airlines lost in the High Court in May last year but succeeded in obtaining from the Court of Appeal two months later a ruling that the U.S. action must be discontinued as against them.

The Master of the Rolls, Sir John Donaldson, ruled that it would be "a total denial of justice" to allow the case to go ahead against the UK airlines as a result of the Government's invoking of the 1980 Protection of Trading Interests Act in July, 1983.

The government had directed the airlines not to provide the U.S. courts with documents and not to comply with any anti-trust judgment.

U.S. Judge Harold H. Greene, who had previously faltered against the involvement of the English courts in a matter he regarded as solely within his court's province, characterised the Appeal Court's decision as "premature . . . and improper."

It was left to the House of Lords to pour oil on troubled waters, which they did last July.

Allowing the liquidator's appeal, Lord Scarman said that the English courts had no role to play in the Laker dispute—"important though it may be to the economic interests of the UK."

Lord Diplock said that BA and BCal had voluntarily submitted themselves to a regime of transatlantic aviation arrangements—which made them subject to U.S. law.

## India seeks foreign investment in computers

By John Elliott in New Delhi

IMPORT DUTIES end industrial licensing controls have been relaxed for a wide range of computers by the Indian Government which wants to bring its computer manufacturing industry up to international standards of price and quality by 1990.

The aim is to raise the production level of mini- and micro-computers from 1,000 a year to 100,000 by 1990. "We need \$500m of investment in electronics components generally by 1990, and we want to encourage foreign equity participation in this area. We also want large Indian companies to come in," Mr V. Jayaram, permanent secretary of the electronics Department said yesterday.

India wants to expand its electronics production from \$1.3bn a year to \$10bn by the end of its next five-year plan for 1985-90.

The relaxation of controls has been under way for some time. The new policy says that any Indian company (including those with up to 40 per cent foreign equity) can start unlimited manufacturing of finished products. Import tariffs will range up to 100 per cent instead of 181 per cent or more.

In order to encourage volume production, about six companies will be designated as original equipment manufacturers and be given preferential duties to help them make peripherals. One or two companies will receive similar preference for central processing unit boards.

The Government wants this handful of companies to become major Indian suppliers to hundreds of manufacturers of finished products.

It developed India's television industry in the same way last year. Television demand has gone up from 600,000 sets a year to 2m in the last 12 months.

The new policy also simplifies arrangements for importing super-mini and main frame computers which up to now has been under detailed case-by-case control by the Electronics Department.

A list of 12 to 18 foreign computers of types not currently available in India will be drawn up and will be available for automatic import.

In addition, the Government will choose between collaborations offered by Control Data of the U.S. and Bull of France for developing a large and medium-sized main frame computer.

ICIM, the Indian offshoot of ICL of the UK, tried recently to enter this competition but was told it was too late.

**Irish exports increase 27%**

By Brendan Keenan in Dublin

IRISH EXPORTS will be worth £25.5bn (£7.3bn) this year, an increase of 27 per cent over 1983, according to the Irish Export Board (IEB). The volume rise, is put at 17 per cent in the board's annual report.

Almost three-quarters of last year's increase was accounted for by manufactured goods, which increased by 13.5 per cent in volume. The proportion of Irish exports going to Britain, was up 15.9 per cent to £2.5bn, which represents 37 per cent of total exports.

Exports to the continental EEC countries, rose 23.2 per cent in value. The board says the good results were due to the modest world recovery.

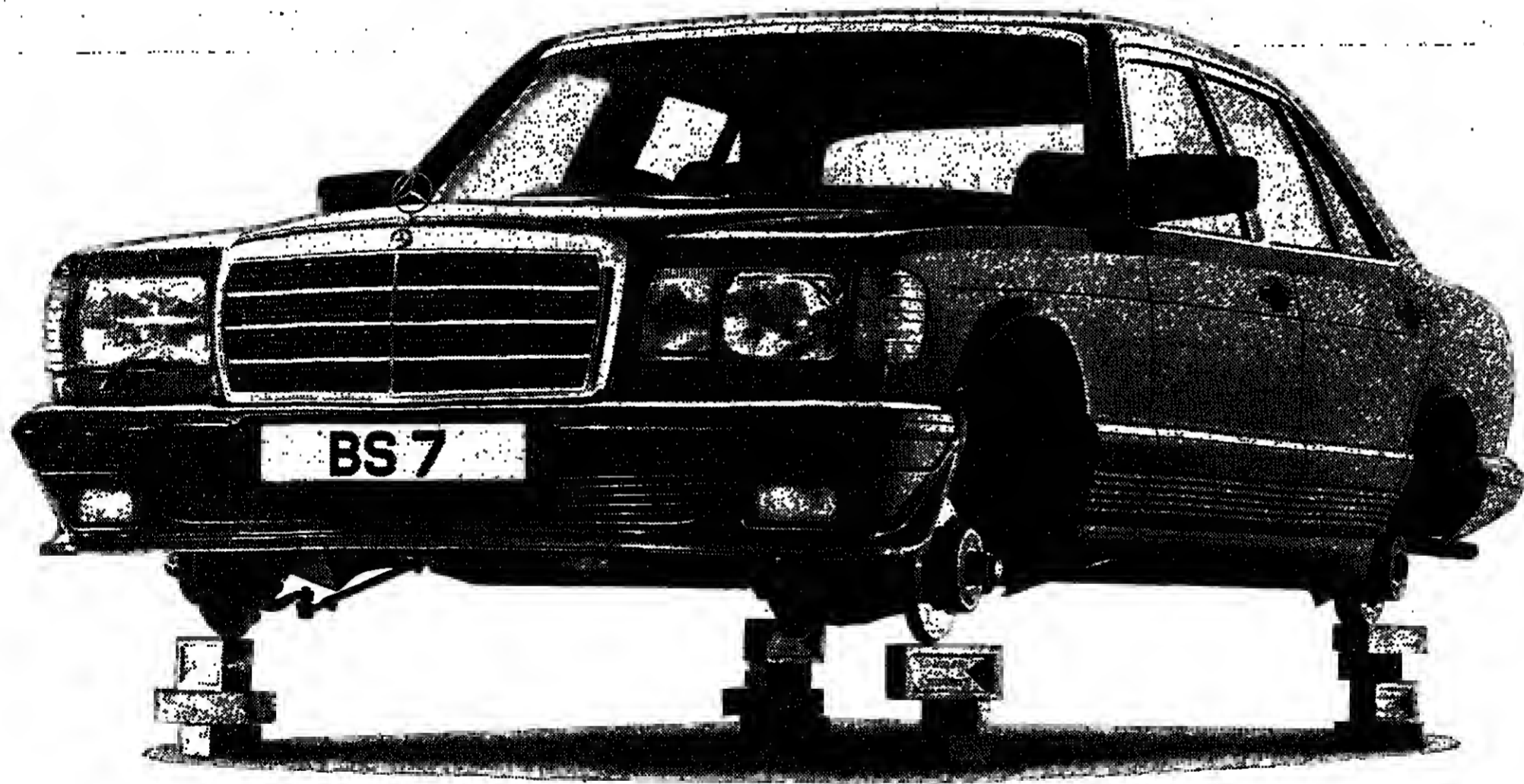
CITR warns, however, that while world trade growth offered greater potential for exports in the next few years, there will be stronger competition from other countries.

Recently, some economists have suggested that some part of Ireland's remarkable growth in exports, could be due to transfer pricing by multinational companies, which now account for 50 per cent of Irish manufactured exports.

The UK is still running a substantial trade deficit with Latin America. Brazil alone has been responsible for two-thirds of the £425m deficit recorded so far this year on visible trade, although invisibles helped redress the balance.

Within this picture were some quirky results: debt-ridden Bolivia and embattled Nicaragua showed the biggest improvement in margins for British goods, albeit from tiny base lines. Even exports to Cuba rose by 35 per cent to £47m—twice what was sold to Peru or Ecuador.

## HOW BARRY SHEENE'S CAR BEHAVES IN TRAFFIC WITHOUT THE NEW SECURICOR GO-PHONE.



When it's stuck in traffic, it doesn't matter how fast your car is. Because without the Securicor Go-phone inside it, it's not going anywhere.

Pick up the Go-phone and you can go anywhere in the world. Instantly. No hiss, crackle or buzz.

In fact, it's the first telephone in a car that works just like a telephone.

Securicor and British Telecom have set up Cellnet to bring Britain the most advanced mobile communications network in the world. As you might expect, Securicor have the biggest available range of Go-phones.

Features include call forwarding, call waiting, conferencing, no-answer transfer and voice activated calls so you don't have to take your hands off the wheel.

They also have the back-up to complement this technology; 40 service centres and 50 mobile workshops, more than any other company in Britain.

What's more you'll be hard pressed to find anyone else who can

offer the choice, installation, servicing, and running costs all in one package.

If you would like to test drive a Securicor Go-phone call the number below. Or use the coupon.

Please send me more information. FT02

Please arrange for a Go-phone demonstration.

To: Securicor Communications Information Office, Ambassador House, Brigstock Road, Thornton Heath, Surrey CR4 8YL. Telephone: 01-689 2144.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone No. \_\_\_\_\_

**SECURICOR GO-PHONE**

THE FIRST TELEPHONE IN A CAR THAT WORKS JUST LIKE A TELEPHONE.



# MANAGEMENT

EDITED BY CHRISTOPHER LORENZ



The employees of Street Crane celebrated completion of the 71st—and final—crane to be delivered to Iraq

## How Street Crane has become a thorn in its competitors' sides

BY NICK GARNETT

"IT'S WARFARE out there. The market is absolutely rabid, it really is and there's vicious competition for any business."

Andrew Pimblett might add that one of the reasons why the small world of building travelling overhead cranes has become so cut-throat is the performance of the small company for which he is sales director.

Street Crane employs just 86 at Chapel-en-le-Frith, a small township near Burton in the Derbyshire hills.

From this rather unlikely setting Street has more than tripled its sale of cranes in the past six years of recession during which the UK market for the standard machines up to 100 tonnes capacity that it makes has been slashed by over a half.

On the back of very low prices, Street's market share has jumped from about 5 per cent in 1979 to almost a quarter, squeezing everyone else and tightening the pressure on bigger-name competitors like Mannesmann Demag, John Smith and Herbert Morris.

"I think they've been a thorn in most cranes makers' sides," says one competitor on Street's activities.

Few challenge Street's claim that it is now the UK's biggest supplier of small and medium standard electric overhead travelling cranes or that it is the largest independent crane builder still left in the market.

Crane selling is not a pleasant environment and few companies have many good words for their competitors. The cranes makers' federation itself fell apart two years ago. Some have charged Street Crane, for

example, with selling at below cost.

Street, though, sold 284 cranes last year against 86 in 1979. It has made a profit in every year except 1981 when it was in the middle of restructuring and ran up a £30,000 pre-tax loss. It has increased sales at home and abroad, including one order of 71 cranes in 1981 for a GEC project in Iraq and has six cranes in or destined for the Falklands. While all this has been going on the market for standard cranes actually ordered in the UK (with some destined for overseas) has slumped from 2,800 in 1979-80 to perhaps 1,100 this year, as the industry's manufacturing base shrivelled and general trade shrank.

Keith Eastwood, Street's chairman and managing director, concedes that the company has had a lot of luck, was small enough to implement changes quickly and has not been burdened by large profit-plundering factory space.

Street also has less direct engineering overheads than, for example, Herbert Morris which employs 830 and which claims to be one of the few British companies engineering and manufacturing a virtually complete crane. Street has traditionally kept away from the very specialised one-off cranes, a further advantage during difficult trading.

Street's management, however, is in no doubt that the recession would have put it out of business without the changes in manufacturing philosophy, crane range and in markets that it has instituted over the

past few years. "With the volume of business we had in the 1970s we couldn't have survived," he says.

The company decided at the turn of the decade that its survival lay in volume. It could only achieve that by selling good cranes at a very low price in order to increase sales and drive down manufacturing costs. This required a careful balancing act between cost and output.

Its first key decision was to pull further away from one-off building and introduce a degree of standardisation into sub-components by using standard sets of drawings for such parts as girders and end carriages (which house the wheels and run along the track).

Using a modular design system by which the required size of beams, for example, could be ascertained quickly given the purchaser's requirements on height, weight to be carried, span and "duty" (class of utilisation), Street has managed to lower assembly costs to a great extent. This will be further improved by a computerised system now being installed.

At the same time Street altered its marketing. Unusually for a crane builder it decided to use a brand name, very bright paintwork and fancy liveries.

The result was the Champion range which came onto the market in 1981-82. It advertised the range at 30 per cent less than any competitor and sent shockwaves through the opposition.

This aggressive stance has been further underlined this year with Street now offering as standard on all its cranes a range of features normally classed as extras. These include overload cut-out, an "hours-in-service" meter, a band control unit which can be unplugged and forged wheels.

Some competitors argue that one of Street's advantages has been the use of a hoist made by a Finnish company, Kone. Not only is this a cost-competitive hoist but Kone this year began offering free some of the above electrical features to companies that purchased its hoist. This coincided with Street offering those features as standard.

Pimblett counters this argument by saying that Kone hoists are fitted to only a half of Street's cranes yet Street offers those features as standard on all its cranes.

"We have led the price down to get volume," he says. So much so that the price of Street's cranes is lower in actual, let alone real, terms than it was in 1979. This, says the company, has created a new market in the UK among companies which now find it easier on cost terms to justify a crane purchase.

Street's workforce has been cut from a peak of 140 at the end of the 1970s. Pimblett says it could now supply half of the UK market with less than 100 employees.

It is perhaps a mark of how advantageous a relatively large home market is to a crane maker, however, that Abus, the West German crane builder which Street says adopts a similar operating philosophy to its own, employs only a few more people than Street but builds four times as many cranes.

RAYMOND MIQUEL has become something of a legend in his own lifetime within the Scotch whisky industry. For some his intense and highly visible style of leadership is "a bit over the top"; yet others recognise that under his chairmanship he has driven Arthur Bell and Son to the forefront—and kept it there, with profits rising from £3.6m in 1973 to £31.27m last year.

Miquel first joined Bell as works study engineer in 1956—he moved to Scotland as a boy (his father, despite a Spanish name, was French)—rising to the board as deputy managing director in 1965. But it is not only in the boardroom that his self-disciplined, lead-from-the-front style manifests itself. As a committed jogger he is frequently to be seen competing in state sporting events, running against 20- and 30-year-olds. As he puts it: "I'm 53 and I'll be in the top 19 out of 80."

But his forthright views on management might not be to everybody's taste.

On motivation: "There is not one person in this company who has never seen me whether in the bottling hall, management, in the middle, or whatever. I am the chairman of the group and everybody in the company knows me. That motivates them, that motivates people to work—the very fact that they have talked to the chairman, and the chairman takes an interest in all of them."

Yet he also maintains that some managers will never speak to me from one seven-week period to another. The only time I speak to them is on the Friday meetings here. I chair it; the rest of the time they're on their own. They cannot phone anybody (for advice), they cannot lean on anybody. They have full responsibility.

This approach permeates the whole management structure. Junior managers are not allowed to telephone senior managers for guidance for most of each day in order to encourage individual responsibility. And managers' doors are left open to prevent any feelings of exclusivity or secretiveness.

But Miquel's finger is constantly on the pulse: "I know absolutely everything that is going on in the company and where anybody's missed out an opportunity or where they've gone outside company policy. That's what I will be raising at the next meeting."

The management structure can best be described as almost flat: "We did away with pyramids... you've got all these top executives, nobody's looking for higher promotion because where do they go? They could all become chairman because that's all they could do."



Raymond Miquel: "I want to be number one in the race"

## What makes Miquel run?

Bell's Scotch whisky chief explains his management style to Mark Meredith

Though many Scotch whisky markets are in decline Miquel is characteristically bullish. "We're not interested in what people say—if the market is going up or down. We're only concerned with what Bell's is doing."

And that is? "We're still trying to gain markets and market share. And that way you'll attain a market. If you start talking the other way, you'll find an excuse for saying you are down."

Nevertheless, Bell has a diversification programme, which has included the purchase of the Gleneagles Hotels in Scotland and the Piccadilly Hotel in London. Miquel is putting his mark on their management in, again, typically forceful style. "There was no discipline. Now, since we took over we've put a manager in charge of the place; the fellow's very

On hotel operations Miquel says: "The standards we (at Bell's) operate will operate now at Gleneagles Hotels. It is said I don't know anything about hotels. I spend six months of the year in hotels, three months of the year in London at a hotel... if I don't know what's required in hotels nobody does—more so than any manager who spends less time than that because I'm the customer."

His attention to detail brings with it some sharp comments. Of hotel brochures: "I pick up many mistakes. They (the hotel management) think they're smart. They're not that smart. I can pick them out because that's my whole life."

Other detail includes supervision of the hotel swimming pool: "There was no discipline. Now, since we took over we've put a manager in charge of the place; the fellow's very

smart. I'll be doing a CO's inspection... They'll be knowing all about that."

How does he explain his pre-occupation with fitness? "You've got to set an example. I go out at seven o'clock and do my training every morning; and why do I do it? Because I want to be number one in the race."

Gleneagles management had been invited to the company's last track and field day. "We start on Saturday evening with the two-mile run, followed by five-a-side soccer, tennis, snooker... now that's part of our managerial training. We have disciplines in our company so that they all have to do the two-mile run."

"You've got to try to do things that people cannot possibly believe you can do. That's what you have got to train yourself to do when it comes to business. I come in here just before nine after having trained every morning. Work doesn't seem like work after what I've had to do."

Miquel describes as a "fallacy" his critics' suggestion that he runs Bell through fear and high salaries. "If you were to attend this weekend's sports gathering you would never see a happier bunch of people, working together."

"Senior executives are paid quite well. I'm talking by UK standards, at £30,000, that sort of level. But none of them will be leaving here until 7.30 pm; there's not a director goes away before 9 pm at night... I work the whole evening and so do they. That's where the leadership comes in again."

Precisely how hard are senior executives expected to work? "The thing in Bell's is the higher you go, the harder you work. You don't have to take it. You can back off. But if you want to get to the top then you'll be working, as I do, 60 hours a week and every hour that God gave. If they see the chairman do it, they'll want to do it."

But what about wives and families (Miquel has been married for 25 years and has a son and two daughters)? "We don't have any wives in our business. If at some stage a manager says he wants to go home and have tea every night at six o'clock, well he's reached about as high on the ladder as he'll go in the company... if you've got to analyse what you do if you're a family man and go home at six, I mean, do you start cuddling, the wife all night? Do you hold her hand? Do you talk to her all night? What do you do all night? I think you'd probably put your slippers on and stick your face in front of the television."

# DHL introduces the Total Express Network.

It's a chicken and egg story. Which came first, the expansion of DHL or the expansion of global business? One thing's certain. Global business is now operating at a new level of efficiency. A level of efficiency only made possible by DHL's global delivery system.

A system that delivers desk to desk, door to door, worldwide.

**THE WORLD'S FIRST TOTAL EXPRESS NETWORK**

DHL started out as a worldwide delivery service carrying time-sensitive documents for international clients—DHL Courier Express.

We soon enlarged the service to include small dutiable items—DHL Part and Parcel Express.

From that point, DHL expanded its range to include larger shipments—DHL Heavy-weight Parcels Express.

Also, in many parts of the world, we now offer a full cargo service—DHL Air Cargo Express.

And in the near future DHL will be operating an electronic image transfer service, transmitting super-urgent documents and texts at the speed of light. All this means that deadlines for business have shortened dramatically.

Now DHL Worldwide operates on over 400 flights. Every day, every night.

In fact, the business world has come to rely on the DHL Total Express Network.

**MORE OFFICES IN MORE COUNTRIES.**

Today, DHL employs 10,800 people in over 600 offices worldwide.

The DHL network is making international business more efficient in over 146 countries. We carry shipping documents from Hamburg to Hong Kong, legal documents from Zurich to Zaire, electronic parts from San Francisco to Sydney. All with incredible speed and rock solid reliability.

Whenever an international business needs a vital shipment on the other side of the world—fast—DHL can deliver.

**DHL PURSUING BUSINESS EXCELLENCE WORLDWIDE.**

DHL is the first truly international express network. No one has more experience of international airline schedules and business procedures. A major advantage for our international clients is DHL's expertise in customs procedures around the world. We've sped up clearance times for dutiable consignments and air cargo considerably. But most importantly, because DHL's employees understand the needs of our international clients, we anticipate them. We've opened stations wherever global business has demanded them.

**We're actually changing the way the world does business.**

The DHL Total Express Network now encompasses every international time-sensitive transit need. But while we've expanded dramatically, we've never lost sight of our principles of business excellence—speed and reliability. Obviously, DHL is expanding because international business is still growing at a phenomenal rate.

But we're proud to be making much of that growth possible.

**DHL WORLDWIDE**  
Changing the way the world works.

# TECHNOLOGY

## MATERIALS TREATMENT

### How to apply pressure to mould metals like plastics

BY GEOFFREY CHARLISH

TWO TECHNIQUES for forming and bonding titanium alloy sheet into complex airframe and missile components have been put into production at British Aerospace and are producing cost savings of up to 60 per cent. Component weights have been cut by as much as 40 per cent.

The techniques are superplastic forming and diffusion bonding. An important achievement at BAe is the combination of the two processes into one thermal/pressing machine fed by a purpose-built robot. The company thinks it is well up with the U.S. aerospace majors—McDonnell Douglas, Northrop and Rockwell—in bringing the combined process into regular production.

Over £8.25m has been spent on the process, of which about half has come from the Government (Ministry of Defence and the Department of Industry).

Previously, these high integrity, strong but lightweight parts were machined from light alloy, fabricated from titanium sheet, or constructed in honeycomb form. They are now manufactured in one operation from several sheets that are sandwiched in a special mould and "blown up" rather like a balloon.

Superplastic forming (SPF) exploits the ability of certain alloys to be stretched in sheet form over mould surfaces, without local thinning or failure, when heated to about half their melting point. Only metals with fine, uniform grain structures are suitable, like titanium / aluminium / vanadium alloy.

One drawback is that the process is lengthy, which tends to prevent any spin-off into mass production industries. But it is also labour saving.

The forming time is over three hours, during which forming and bonding pressures are applied to the moulds which are maintained at temperatures in the 900 deg C region. The temperature has to be held within a degree or two and with great uniformity over the mould dimensions, otherwise distortion can occur.

At the same time, selected areas of the sheets join together atomically under the influence of heat and mechanical pressure, by a process called diffusion bonding.

Often, gas pressure is used to inflate part of the sandwich between the two (or more) sheets. The pressure pushes the sheets against the internal walls of the mould to shape the part.

For example, in a two-sheet hatch cover for the Airbus, the inside surfaces of the initial sandwich are first coated with a "stop-off" material, which prevents bonding where it is not needed.

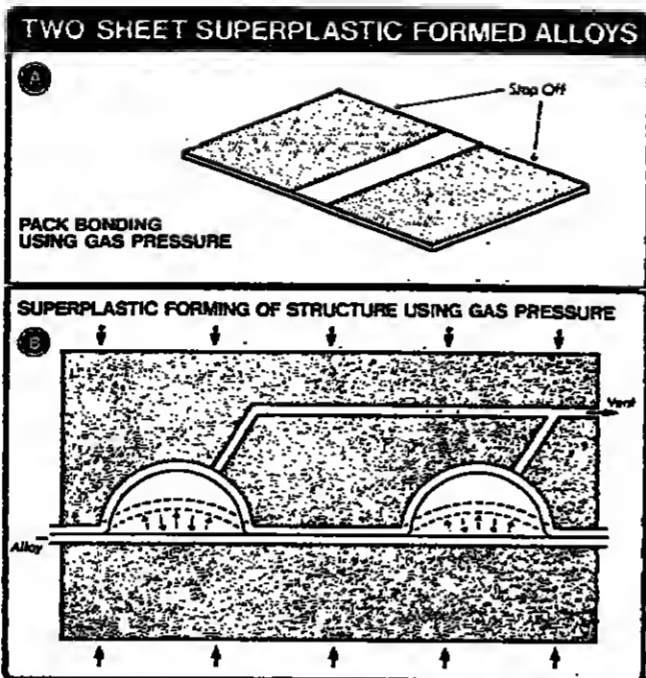
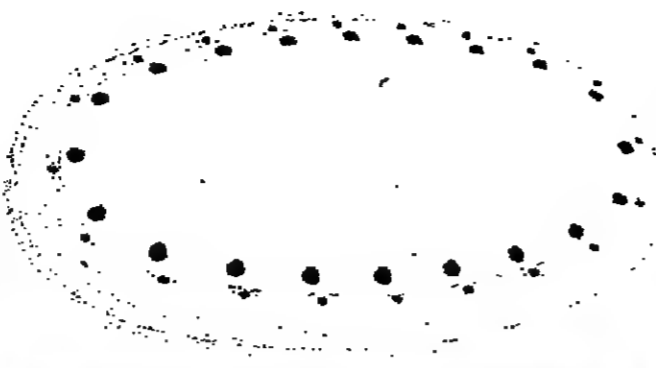
The sandwich is placed between the two halves of the mould and bonding takes place round the edges while gas injected at high pressure between the sheets forms them into the mould shape. The result is a hollow, lightweight and very strong component which is virtually corrosion-proof.

BAe's biggest production unit is at Filton—a 20 ft tall Fielding press able to exert 500 tonnes hydraulically on a 6 x 4 ft platen to provide adequate force for the bonding process. The press is attended by a fork-lift loading robot mounted on a rail track with turntable. The cold moulds are manually loaded and placed in a Wild Barfield pre-heating furnace, to be later removed by the robot and put into the

press. The robot removes the moulds while hot to a cooling platform where the finished parts are later removed manually.

Other units are installed at the company's Wharton and Hatfield sites. Some stainless steels can also be formed in this way and the company has looked at the production of pressure vessels, satellite casings and artificial legs. Companies like Vickers have also examined the prospect of making the hulls of submarines by the process.

In aluminium alloys, superplastic forming has been used for over ten years and Superform Metals of Worcester, now part of Alcan, makes about 50,000 components a year, of which half go to the aerospace industry.



Tap: a 310 underwing access panel produced by superplastic forming. Above: how the process works

strong, light or complicated parts that would be expensive or impossible to make by other methods are being turned out at Worcester. Cases for electronic equipment that would otherwise be moulded from plastics are a good example.

Other items include bases for medical incubators, where the thermal conductivity of metal is needed, and covers for ultrasonic equipment.

Mr Ian Buchanan, managing director, says that items with a production run from 50 to 10,000 can be cost effective, usually in instances where strength and complication are key features.

Superform Metals has recently developed a new aluminium-lithium alloy which is 10 per cent lighter and 10 per cent stiffer than the Supral aluminium alloys used at present.

But other industries needing

## COMPUTER FUTURES

### Towards systems for fault tolerance

BY ALAN CANE

PUNCTUATION may separate the literate from the rest but it's rarely a matter of life or death. Unless you're a computer programmer, that is, when a comma or full stop in the wrong place assumes an importance out of all proportion to the size of the error.

The failure of computer software during a Space Shuttle mission was eventually attributed to a single missing punctuation mark in a program written in the scientific programming language Fortran.

That is one reason why the latter part of the decade should see increasing adoption of "error-resistant" languages such as "Ada," the U.S. Department of Defense procedural language, which are written in a structured way and where there is powerful redundancy so that no single part of the program is critical to its overall performance.

Moves towards the creation of better, more reliable software in a more professional way are two of the principal trends in computing identified in a new report from Computer Sciences (CSC) a U.S.-based computing services company.

The report is described by Mr Keith Nicol, managing director of CSC's UK subsidiary as a guide to what goes on under the computing bonnet for managers who have to deal with computer systems but are not necessarily computer-literate.

As such, it gives a sound and comprehensive overview of the principal trends in computing today. Thus, for example, it describes the moves towards new computer designs better able to deal with complex knowledge-based problems than the conventional architecture where instructions are handed one at a time in sequence.

But it adds the caveat "Although many research workers predict a revolutionary change in computing concepts sometime towards the end of the next decade, it seems unlikely that the mainstream computer manufacturers, with a large installed customer base to protect, and the essentially con-

servative business community, will be willing to discard their massive investment in 'traditional' computing techniques."

So most data processing departments can expect simply more of the same in terms of their hardware, with the better ideas from the research world being incorporated as optional software packages.

The report suggests, however, that the general-purpose computer of the late 1980s will consist of two or more processing units, each with its own memory and connected together by a high speed bus or data highway, probably implemented in fibre optic technology.

"The chief reasons for multi-processor architecture are the growing customer demand for higher reliability fault tolerant systems and the manufacturer's requirement to satisfy a wide range of computing power requirements with only one basic processor design."

But hardware is not the principal problem, according to the CSC report: "The overriding need of the computer industry in the next decade is not faster, ever smaller hardware, nor increased software functionality, but improvements in the software engineering process and tool which support the software life-cycle."

It suggests that it could be 10 to 20 years before the software development process is as well understood and supported as hardware development.

That will prove to be a constraining factor in the implementation of software in silicon—desirable to improve the system performance and to make it more difficult to copy software illegally. But without high software reliability, it is risky because it is much more expensive and difficult to correct an error once it has been written on to the chip.

The report will be available early in the new year, price £95. More details from CSC on 01-439 6252.

\* ADP Technology in the Late 1980s by R. J. Crabb.

EDITED BY ALAN CANE

## Machines tools

### Flexible systems in Japan

A MACHINE tool maker has taken its own medicine by building a factory based on flexible manufacturing techniques using its own equipment.

Hitachi Seiki has constructed a 16m plant at Abiko in Japan which can turn out 678 different components in small batches 23 hours a day. During the daytime, the factory is manned by six people, mainly changing tools for the machines. At night only two workers supervise the whole factory.

The plant turns out thousands of components for the company's own production of machine tools. The factory has three groups of machines and robots which, under the control of a host computer, produce batches of components.

Machines are grouped into small manufacturing cells each working on a different job—milling, polishing, welding and so on. Having completed one operation a machine passes the part onto the next machine for further operations.

The control computers for each of the three groups oversee work schedules, production, fixtures and tools and quality control. There are also sequence controllers which take care of the timing of each operation within a cell. All numerical information to control the operation of each machine is fed to it by a fibre optic link from the computer.

In making small components, for example, four machining centres are served by a pallet rack in front of the machines. A computer numerically controlled stacker replenishes the rack automatically, placing a pallet in one of 162 positions.

For larger parts, Hitachi Seiki has a group of turning centres and a horizontal machining centre. Each of these machines has its own robot which picks a component off a pallet, passes it to the lathe and then replaces the part to the pallet after machining.

Hitachi Seiki is unusual for Japanese machine tool companies in that 70 per cent of its £130m turnover is destined for the home market.

BY ELAINE WILLIAMS

**POWER BROKERS TO THE WORLD**  
The leading international supplier of generating plant from 1000 KVA to 100 MW.  
**POWER PLANT**  
Specialising in the design, construction and commissioning of power plants.

**Process Heating control**  
PROCESS temperature controllers from DynaMetal in North London are suitable for application in injection moulding, extrusion, vacuum casting and food processing. Called the Dyna Power Saver tanks, the controllers operate over the temperature range of 15°C to 120°C with a heating capacity of either 3.6 or 9 kw. More details from the company in London on 01-961 0556.

**Office Computers**  
SPERRY has introduced the 3600 series of multi-user microcomputers to join the company's existing range of personal computers. The new machines will become available in January with prices ranging from \$15,000 at the low end to \$150,000.

**NILFISK**  
The world's largest manufacturer of Industrial Suction Cleaners.  
Bury St, Edmondsh, Suffolk CB24 6JL

## DISCOVER INSPIRED GREY MATTER



The human brain contains an estimated 10,000 million brain cells. Rhône-Poulenc employs 81,000 people. That adds up to a lot of grey cells. At Rhône-Poulenc one of the activities we — and our clients — are active in is helping companies develop new products. These can be as varied as textiles, medicine, computer hardware, systems and food protection.

### RESEARCH THAT DELIVERS

Flexibility. For the ultimate in multinational operational flexibility, Rhône-Poulenc is a leading market leader. But their production people — because they had neither the time nor the expertise to formulate the new product — couldn't deliver. So Rhône-Poulenc is the people who could. Rhône-Poulenc, which has spent a lot of time developing its marketing plans, Rhône-Poulenc research came up with the solution. Tailor made for the job, well within the time frame. At Rhône-Poulenc, we create new ideas, new ways of doing

things, are our stock-in-trade. And working with you to find the most creative and effective solution to your problems is our specialty. There's no magic about it. Whenever you are we have a team on the spot with the resource and the will to act fast.

We have extensive research and development capabilities in a multiplicity of disciplines. In the UK we've been preparing our operations. May & Bailey later on in the year. The major British company has also established highly respected products in the agricultural and pharmaceutical industries. We're present in over ninety countries — in some at May & Bailey Ltd — which gives us an international outlook. And the technological clout of a big group. And as we keep demonstrating, we have the right kind of grey matter. The inspired kind.



**THE CREATIVE CHEMICAL COMPANY WORLDWIDE**

## COLOMBO WELCOMES MERIDIEN "RAFFINEMENT"



**COLOMBO - AUGUST 1984. OPENING OF THE GALADARI MERIDIEN COLOMBO.**

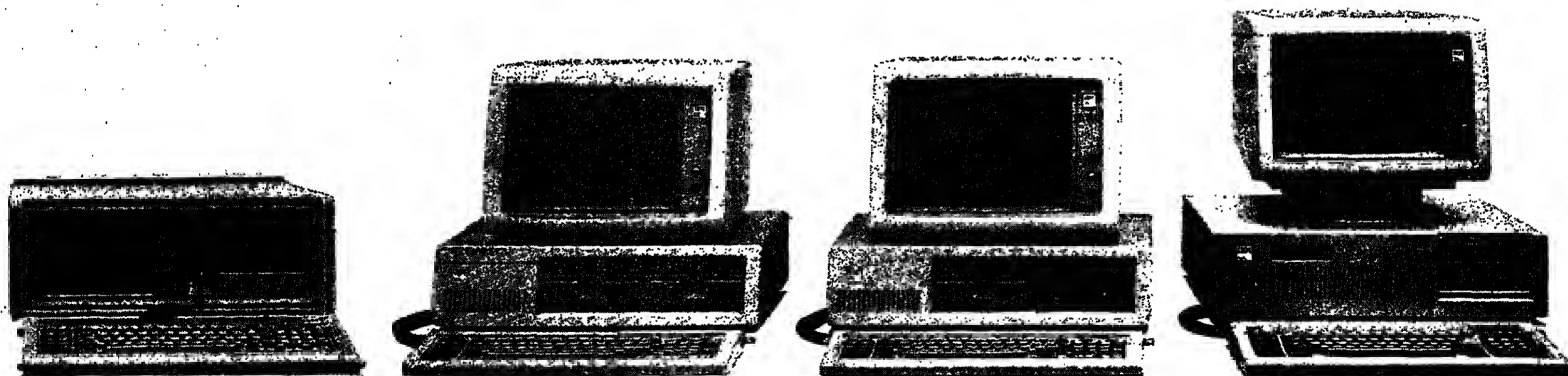
SINCE THE MONTH OF AUGUST, 1984, A NEW AURA OF UNIQUE REFINEMENT HAS COME TO COLOMBO: THE GALADARI MERIDIEN HOTEL. LOCATED IN THE HEART OF THE BUSINESS DISTRICT, THIS 5-STAR DE LUXE HOTEL OFFERS YOU THE ULTIMATE IN REFINEMENT AND COMFORT. FROM THE OUTSTANDING DECOR OF THE LOUNGES TO THE LUXURIOUS

ROOMS, INCLUDING ITS SUPERB CLUBS, THE GALADARI MERIDIEN IS DESIGNED FOR TOTAL RELAXATION. PLUS, THE GALADARI MERIDIEN COLOMBO HAS ALL THE FACILITIES YOU NEED TO HOST A CONVENTION OR SEMINAR. FOR RESERVATIONS AND INFORMATION, CONTACT YOUR TRAVEL AGENT, YOUR AIR FRANCE TICKET OFFICE OR MERIDIEN RESERVATION INTERNATIONAL (MRI) IN LONDON AT 01-4913316.

**THE INTERNATIONAL HOTELS WITH A FRENCH TOUCH**  
Contact Air France

LITTLE TRAMP © UNITED EDUCATIONAL PUBLISHERS LTD. PA. HARRISON

**"Isn't it time you were measured up for an IBM Personal Computer?"**



## For businesses of all sizes: computers of all sizes.

We've always designed our Personal Computers so that they can adapt to different needs and working environments.

To that end, we make our hardware as flexible as possible.

And that's why we're so pleased to announce an extension to the range of Personal Computers.

For people who don't stop work when they leave the office, there's the IBM Portable Personal Computer.

It does almost everything a desk-top Personal Computer can do, and you can use it wherever there's a mains socket.

The standard IBM Personal Compu-

ter is one of the world's most popular tools for meeting the challenges of modern times.

And because you can upgrade it like all IBM Personal Computers, it's suitable for anyone from a one-man business to a multi-national corporation.

If, however, you need to store large amounts of data, then it's worth looking at the IBM Personal Computer XT.

From recording complicated accounts to handling large inventories of stock, the IBM PC XT can do it.

And finally the powerful and nimble IBM Personal Computer AT. It's perfect for

people who need even greater speed and memory capacity. Its new technology means that it can run almost all the programs written for the IBM Personal Computer, at up to three times the normal speed. And you can expand its memory to 41 million characters.

With all this to think about, perhaps the best part is that you don't have to worry about which model will suit you best.

Simply phone 01-200 0200 or clip the coupon for your nearest IBM Authorised Dealer or Retail Centre.

They'll help you cut our hardware to fit your needs.

Roger Kojacky, IBM United Kingdom Product Sales Limited, FREEPOST, Greenford, Middlesex UB6 9BR. (Telephone: 01-578 4399)

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel No. \_\_\_\_\_



## UK NEWS

## Du Pont to set up British electronics plant

BY JASON CRISP

DUPONT, the U.S. chemicals giant, is to set up a new plant in Bristol which will make connectors for the electronics industry.

The company is making an initial capital investment of nearly \$6m and expects to employ 90 people by the end of next year and 200 by the end of 1986. Financial assistance for the investment is being given by the Government under the Industry Act.

It is part of a Du Pont programme to invest \$20m in electronics plant in Europe in 1984, which will be more than doubled next year.

The company is spending nearly \$5m modernising its connector plant at Besancon in France, which was set up in 1982. Du Pont is also spending \$5m improving its other connector plant near Eindhoven in the Netherlands. Du Pont also makes connectors at three plants in the U.S. as well as in Brazil, Singapore and Taiwan.

Sales of electronics products by Du Pont, the largest chemicals company in the U.S., exceed \$1bn world-

wide. Last year its total sales exceeded \$35bn. The company is expected to spend \$80m on research and development in electronics products in 1984.

Du Pont makes a variety of connectors which are used for linking microchips, printed circuit boards and electronic equipment. The company estimates that the European market for connectors is worth \$1.4bn, of which the UK represents about \$350m.

Du Pont says it is setting up the plant in Britain because the UK electronics market is growing faster than in other European countries. However, the Dutch plant, which is close to Philips' headquarters, is to become the European centre for research and development in connectors.

Du Pont has bought a factory outside Bristol and plans to start production early next year. The company is also looking for another site in Bristol to become the headquarters of Du Pont's British electronics operation.

## N. Ireland joint authority rejected

THE PRIME MINISTER yesterday appeared to rule out the possibility of any executive powers for representatives of the Irish Government in the administration of Northern Ireland.

In what will certainly be seen in the Irish Republic as a slip in the face for Dr Garret FitzGerald, the Irish Prime Minister, Mrs Margaret Thatcher explicitly ruled out proposals for joint authority as outlined in the New Ireland Forum Report published in May.

Joint authority, she told the House of Commons, was a derogation of sovereignty. Replying to a Labour MP who urged her to adopt the ideas for joint authority as a "basis for progress," Mrs Thatcher said: "Co-operation, yes; joint authority, no."

She claimed that in saying this she was going no further than Mr James Prior, the former Northern Ireland Secretary. But in his carefully worded speech in the Commons on July 2, Mr Prior said that inasmuch as any of the forum proposals "significantly" altered the sovereignty of Northern Ireland, it was difficult to imagine that the Unionist majority would agree to them - and the British Government could not "engineer" such agreement.

The Irish Government contends that giving Dublin executive power in Ulster is an essential part of finding a political framework acceptable to both communities there, and that this need not infringe British sovereignty. Mr Prior's words appeared to leave room for discussion, but Mrs Thatcher appeared yesterday to have ruled out any such discussions.

Editorial comment, Page 18

□ VICTOR TECHNOLOGIES, the troubled Californian company, is to end its exclusive distribution agreement with Applied Computer Techniques (ACT) and set up its own UK subsidiary.

The new company is expected to set up its own distribution in the UK but will continue to supply ACT. Until this summer ACT, one of Britain's fastest growing personal computer companies, depended upon Victor's products for much of its sales.

□ FORWARD TRUST, the finance house subsidiary of Midland Bank, is to be restructured to raise profitability. The changes will involve the loss of 378 jobs.

A network of 60 branches will be replaced by 32 "business centres" each equipped with high technology and providing instalment credit, leasing and factoring services.

□ GAS PRICES could rise at about the rate of inflation in the next few years even though the cost of raw gas supplies from the North Sea was increasing at twice that rate, Sir Denis Hooke, chairman of British Gas said.

He told a House of Commons Select Committee on energy that British Gas would be considering the next round of price increases tomorrow. The rise is expected to be a little under 5 per cent.

## Are you guilty of unfair dismissal?

We all know the micro has a great deal to offer.

But somehow, we never have time to find out what.

Which is why we could all use PC Microtutor. A complete tutorial course for the micro, published by Longman.

When we say we could all use it, that's exactly what we mean. PC Microtutor is very easy. Even for those who have never touched the micro.

It clarifies which tasks the computer can help you perform, such as budget planning, sales forecasting etc.

It takes you through the various types of software packages available, graphics, spreadsheets etc. enabling you to select and order the packages most suited to your needs.

All in a completely unbiased manner. Mentioning no names.

It isn't long before you realise that getting to know your micro doesn't take long at all. Just six hours in fact. You can break the course as you like. And you can use it with any IBM PC (128K or more).

PC Microtutor was developed for Longman by Educa-

tion Technology Ltd. in association with the Cranfield School of Management.

It's the first program to bridge that fundamental gap between the theory of integrating the computer into everyday management... and the actual practice.

Your department, your whole company will operate more effectively as a result.

And the micro, instead of being relegated to the menial tasks of word-processing, will get the promotion it deserves.

PC Microtutor comes as a boxed manual and floppy disk and costs just £195 excluding VAT.

If you want to know more or would like a copy of the FREE DEMODISK, please telephone Michelle Rhodes on 0279 26721 or write to us at this address:

Free post, Michelle Rhodes, Business Training Department, Longman Group Limited, Longman House, Burnt Mill, Harlow, Essex CM20 1BR.

PC MICROTUTOR™ by Longman  
A training course in the effective use of micros for management.

All of these Notes having been sold, this announcement appears as a matter of record only.

NEW ISSUE

\$200,000,000



12¾% Notes due November 1, 1999

At the option of the holder the Notes will be repayable on November 1, 1994 at their principal amount together with interest payable to the date of repayment. Unless previously repaid, the Notes will mature on November 1, 1999.

Merrill Lynch Capital Markets

Salomon Brothers Inc



INCOME BONDS  
and  
DEPOSIT BONDS

Notice of interest  
rate changes

From 2 January 1985  
the interest payable  
on Income Bonds  
and Deposit Bonds  
will be changed  
from 12¾% to 12% p.a.

ISSUED BY THE DEPARTMENT FOR  
NATIONAL SAVINGS ON BEHALF OF HM TREASURY

UK NEWS

# Ford lays off 10,000 in strike by seamstresses

BY DAVID BRINDLE, LABOUR STAFF

PROSPECTS of an early end to the strike which stopped Ford vehicle production in Britain looked remote last night. The number of lay-offs caused by a strike by 270 women sewing machinists over a regarding claim rose to nearly 10,000.

Ford said the number of workers laid off at its Halewood, Merseyside, plant yesterday rose to 6,000 stopping production at the press shop there. The number of workers laid off at Dagenham, Essex, remained at 3,900.

The press shop at Dagenham continues operation because it supplies plants at Southampton and overseas and because, for the time being, panels are being stockpiled.

Ford said it had lost output of 6,300 vehicles, worth £40m at showroom prices, since the machinists walked out on Thursday of last week.

The Transport and General Workers' Union (TGWU) which represents most of the strikers, said it was seeking an early meeting with the company to discuss the women's 17-year-old claim for promotion to Ford's Grade C pay band in recognition of the skill involved in their job.

The strikers, who make car seat covers and headrests, have been paid at Grade B rates since the results of a job evaluation scheme were implemented in 1967. A change of grade would add £3.55 to their basic wage rate of £121.33 a week.

Mr Bernie Passingham, TGWU convenor at the River plant at Dagenham, said he did not understand why the company was delaying agreement to talks on the claim, which might be enough for the women to consider a return to work.

Ford said it was "extremely reluctant" to reopen talks on the claim. It was unwilling to raise an issue which had been dealt with repeatedly since 1967. The onus was on the TGWU to get its members back to work.

# Warning of slower growth next year

By Max Wilkinson, Economics Correspondent

THE ECONOMIC indicator which points to developments a year ahead partly reversed its summer decline in September and October, the Central Statistical Office (CSO) said yesterday.

The CSO continued to warn, however, that some slowing down in the pace of economic growth may be in prospect for the early part of next year.

Its most recent data for the cyclical indicators show that the longer leading indicator, which looks a year ahead, rose in September and October after a five month decline starting in March.

The recovery was not enough, however, to bring the indicator back to its level of earlier this year.

"If later data were to confirm a turning point in March, this would suggest that, on the basis of past average timing relationships, the economic cycle would reach a peak some time in early 1985," the CSO said.

It added, however, that this would not necessarily imply a decline in output, but rather slower growth.

The shorter leading indicator, which predicts turning points six months ahead continued to decline slowly in September and October.

This would appear to be out of line with the longer leading indicator, and has contributed to some doubts in Whitehall about the reliability of recent data.

# Austin Rover dispute crumbles

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE PAY STRIKE at Austin Rover, BL's volume car subsidiary, crumbled yesterday when 7,500 workers at Cowley, Oxford, voted to return to work.

Shop stewards (factory union officials) at Longbridge, Birmingham, the only plant out of 14 still on strike, have called a mass meeting for today. Amid company claims that half the 11,000 Longbridge workers have already crossed picket lines, employees seem to have little choice but to end the dispute, now in its third week. It has cost the output of 30,000 cars.

Austin Rover last night claimed victory for its tough line in refusing to make any concessions in the face

of the union call for a strike by the 28,000 manual workers. The company, confronted with a demand for a £20 a week rise, refused to change its offer of 10.2 per cent spread over two years.

Mr Harold Musgrove, the Austin Rover chairman, stressed last night that the company would press ahead with its court action against the Transport and General Workers' Union and the Tass craft section of the engineering union for allegedly defying High Court orders.

"We have embarked upon a process of law. We will continue and we will be in court on Monday," Mr Musgrove said. Austin Rover won injunctions against the unions, under

the new Trade Union Act, to order them to withdraw their strike call until a secret ballot was held.

The company is clearly aware of the embarrassment to the transport union in particular, which represents the majority of the workforce. Mr Moss Evans, the general secretary, bound by his union's policy-making delegate conference, has declared publicly he has no intention of signing any cheque for fines that might be imposed by the High Court.

Union leaders at Talbot, the UK car subsidiary of Peugeot of France, have drawn up a £20 a week pay demand for the 3,200 manual workers. The pay review date is January 1.

# Further £760m sought to cover pit strike

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT is seeking parliamentary approval for an additional £760m to pay for the costs of the miners' strike. Winter supplementary estimates published yesterday by the Treasury revealed the extent of the overshoot in a wide range of public spending programmes, mainly caused by the impact of the strike and the sharp increase in unemployment since the spring.

An extra £607m is being sought in government support for the National Coal Board, taking total provision in the present financial year

up to £1.9bn. This compares with an original estimate last March of support of £910m, the difference being explained both by the cost of the strike and by retrospective payments for the larger than expected deficit for 1983-84.

The winter supplementaries also highlight for the first time the full impact of the extra cost of policing the dispute. Additional grants to police authorities related to the strike explain most of the additional £155m being sought by the Home Office.

The cost of the strike and exclude the additional amount required by the Central Electricity Generating Board for buying extra oil in place of coal. The means of paying for this cost have yet to be decided.

The latest figures are consistent with the Treasury's recent estimate that the strike will boost public sector borrowing by around £1.5bn in the current financial year if it continues until Christmas.

Spring estimates may be presented to parliament in February to cover further costs of the dispute

not so far provided for in yesterday's figures. The Government is also seeking an additional £45m to pay British National Oil Corporation to cover the losses caused by its official price of oil having, for most of the year, been higher than the price on the spot markets.

Overall, the winter supplementary estimates amount to nearly £1bn, part of which represents transactions within the public sector. The figures are in line with the rise in public spending this year revealed in the autumn economic statement last week.

# From now on, here's how to address the subject of high quality chemicals and plastics.

Monsanto plc has moved its main U.K. sales office out of London and into brand new premises at Basingstoke.

So British manufacturers have an efficient new central ordering point for a wide range of industrial chemicals and modern plastics. The Monsanto range includes Santoprene<sup>®</sup> thermoplastic rubber, Santicizer<sup>®</sup> plasticizers, Safflex<sup>®</sup> PVB film, Lustran<sup>®</sup> ABS and SAN, Dequest<sup>®</sup> water treatment chemicals, Santotherm<sup>®</sup> heat transfer fluids, Silester<sup>®</sup> and Syton<sup>®</sup> refractory binders,

aspirin, maleic anhydride and high-quality rubber chemicals.

Monsanto products find applications in the automotive, construction, electrical, electronics, detergent, food, housewares, leisure, paper and printing, paints and adhesives, pharmaceutical, plastics, rubber and textile industries.

The company also manufactures and supplies technologically advanced products and systems for energy and materials recovery, for environmental control, and for quality testing in rubber production.

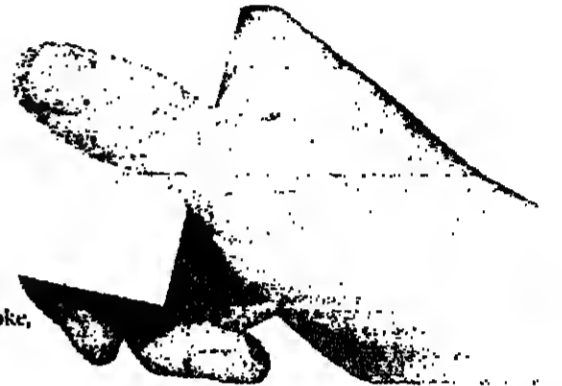
Full information is available on request. Monsanto may have a new address in the country, but it always goes to town for its customers.

Monsanto plc,  
Monsanto House,  
Chineham Court,  
Chineham,  
Basingstoke,  
Hampshire RG24 0UL.

## Monsanto

Monsanto plc, Monsanto House, Chineham Court, Chineham, Basingstoke, Hampshire, RG24 0UL. (Tel: 0256 57288, Telex: 858837).

\*Registered Trade Marks of Monsanto.



People who know  
**Boston**

**NORTHWEST ORIENT**  
The American winner

See your travel agent or contact 49 Abchurch Lane, London EC4A 3DF. (01) 629 5353 Manchester (061) 499 2471

# How a Hewlett-Packard computer brought Mr Jones of Marketing and Miss Green of Accounts together.

Our new computer, the HP 3000 Series 37, was designed to help people work together more efficiently.

This powerful little computer, (it fits neatly under a desk), puts the sophisticated technology of our highly successful HP 3000 range within the reach of the smaller business.

Even though it's the baby of the range, it can perform such tasks as accounting and financial planning, as well as handling word processing, electronic mail and graphics.

So, for instance, your people in Accounts will be able to exchange information with the Marketing Department at the touch of a button.

And Marketing will be able to talk to Production, immediately gleaning the information they need to reach the right decisions a lot quicker.

In fact, this computer is capable of linking from 2 to 28 users in different departments throughout your company.

But what happens in the future, when your business has expanded and you need a larger system?

The Series 37 has already taken care of that.

Being compatible with the larger members of the HP 3000 range, it offers you the opportunity to upgrade while continuing to use your existing software.

(With some systems this isn't possible - you would



have to go to great trouble and expense to transfer all of your software onto the new system.)

And should you already be operating an IBM system, and needing to expand it, you'll find that the Series 37 is fully compatible with that, too.

While Mr Jones of Marketing and Miss Green of Accounts may well be delighted at the prospect of working more closely together, how will Mr Smith of Finance feel?

We're confident that he will give his blessing.

Because, for a computer of such high performance, its price is surprisingly low.

For the full facts and figures phone, 01-935 6109 or return the coupon to Hewlett-Packard Limited, Customer Support Centre, Eskdale Road, Winnersh Triangle, Wokingham, Berks. RG11 5DZ.

Please send me further information on the HP 3000 Series 37.

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_



Residential Property

VICTORIA + WESTMINSTER
WESTMINSTER PALACE GARDENS
1 bed flat £62,000. 77 sq ft
DUNGLAS STREET
V. large 2 bed flat £52,000. 54 sq ft

BELGRAVIA
EATON SQUARE - Spec. 4 bed house
Reception, kitchen, Ch. L.V.
90 years. £215,000

Holidays and Travel

FALCON
NO 1 TO SWITZERLAND
Falcon offers the definitive flight service to GENEVA and ZURICH from as little as £59

Rentals

EBURY STREET, SW1
Immaculate modern flat
in purpose built block with 24hr
porterage and underground garage.

KEITH CARDALE GROVES
DOCKLANDS E14
Beautiful 5 story house with
exposed beams abounding with
character and lovely river views.

GEORGE KNIGHT
& PARTNERS
The Letting Agents
9 Heath Street
London NW3

COLUMBUS
BUSINESS TRAVEL SPECIALIST
11 B. Desjardins competitive rates
12. F. 24 hr. London City agents

HAMPSTEAD NW3
LUXURIOUS DETACHED HOUSE
Interior designed to the highest
standard. 5 double beds, 3 baths.

MAYS
RENTALS
Quality Houses
and Flats in
SW London, Surrey,
Berks

AMERICAN EXECUTIVES
seek luxury furnished flats or
houses up to £500 per week.

U.K. Hotels
Armathwaite Hall Hotel
BASSENTHWAITE, KESWICK
Tel. (059 681) 551

FURNISHED
LETTINGS
Quality London flats and houses to
let consistently in demand from inter-
national companies and embassies.

ALPINE APARTMENTS
NEW CANNON STREET
LONDON W1
Prestige Apartments in West End

LET and FORGET
Leave it to the Specialists
with over a Quarter of a Century
of proven experience.

Company Notices
Societe Nationale
des Chemins de Fer Belges (SNCB)
Nationale Maatschappij
der Belgische Spoorwegen (NMBS)

Overseas

SWITZERLAND - ACT NOW!
EXCHANGE CONTRALS ARE BEING DISCUSSED
We have lovely Apartments on Lake Geneva near Lausanne

SPAIN
COSTA BLANCA
CALPE & JAVEA
LUXURY FRONT LINE
RESORTS

GOLDEN MILE
MARBELLA
LUXURY 3 BED BEACH VILLA
Garden, Pool, Roof Terrace

Guaranteed Floating Rate Notes Due
November 1991
Unconditionally guaranteed by
The Kingdom of Belgium

Motor Cars

CARENTALS
For competitive
contract hire
rates on any make of
vehicle.

TRANSCO
TAX FREE CARS
We keep a contact stock of
more than 100 brand new cars

NEW MERCEDES 500 SE. Total spec.
black, metallic, immediate
delivery. List. £18,995

BERDAN
LEASE- Leasing and
Contract Hire Specialist
For a quotation without obligation

SAAB
NEW AND 30 USED SAABS
TEST DRIVE THE 161
CAR OF THE WEEK

WOODBRIDGE OF
BIRMINGHAM
Tel: 021-449 4227

SAAB
A MORE INDIVIDUAL CAR FOR
THE MORE DISCERNING
INDIVIDUAL LEASE... OR EVEN
CONTRACT HIRE...

ACE KENSINGTON
01-937 5691
ALSO AT ACTON, W3
SALES, SERVICE, PARTS

SAAB
(Swedish Car Centre London)
Authorised Saab agent. Possibly
Europe's largest stock of used
Saabs & Volvos.

VOLVO
IMMEDIATE DELIVERY ON
MOST MODELS
Contact Jeremy Hutton

Generators
3 KVA to 4,000 KVA
AND LARGER
Wide selection of used and new
standby emergency generators at
keenest prices

Legal Notices
THE COMPANIES ACT 1984
J. R. BACON SUPPLIES LIMITED

NEW HONDA CARS
Immediate or
Earliest
Delivery
Finance
Leasing and
Lease purchase
Telephone for prices

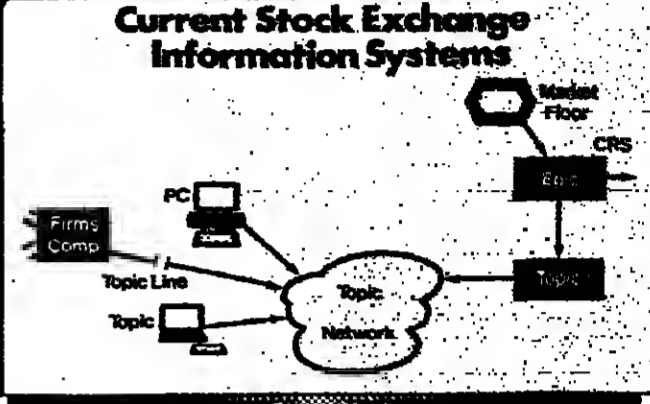
Wanted
BRADSHAW & WEBB require and offer
Semi-detached properties. Phone: 01-493
7706-01-352 7352

Clubs
THE GAMBLYN at St James's. London's
most exclusive gentlemen's club.
Mon-Fri. 8 am-2.30 am. Sat. 9 am-2.30 am.

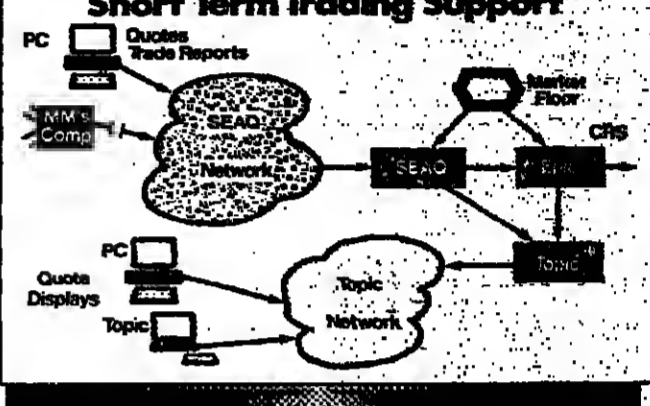
UK NEWS

Stock exchange reveals its computer timetable

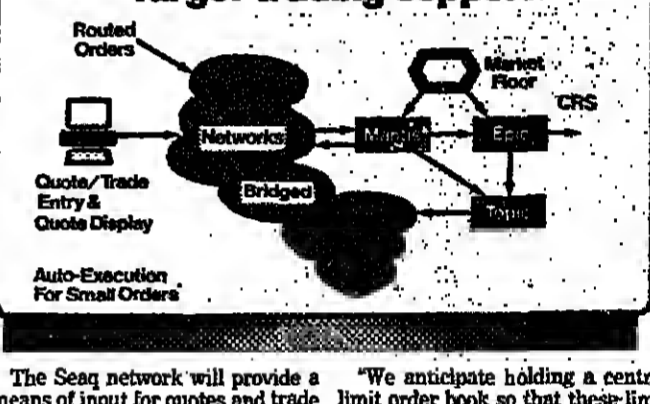
INITIAL SYSTEM BASED ON EXISTING TECHNOLOGY
THE LONDON Stock Exchange's plans to introduce new computer systems to back up its reformed securities market will be introduced in two phases. An initial system, which will use existing technology wherever possible or will build on systems at present in operation, is to be introduced by the end of 1985 in time for the dismantling of the minimum commission scales applied to market transactions.



Short Term Trading Support
First we have a short time scale in computer development terms. This will not allow us to build radically new services from scratch with any degree of confidence that they will work effectively and reliably under high volumes of loading from the first day of the new market.



Target Trading Support
The stock exchange, he said, had little idea about the absolute level of trading which is likely to take place and the consequent level of system activity.



Edwards hits at 'cowardly' UK managers
MISDIRECTION of talent - people in the wrong jobs - has done more than anything to curb entrepreneurialism and creative problem-solving in British industry, according to Sir Michael Edwards, chairman of Dunlop and former head of BL, the state-owned car group.

TO LOOT AT 1/4 OF LONDONIUM PRICES EAST SAXON HOUSE CHELMSFORD 31,000 SQ. FT. OF NEW OFFICES ON 4 FLOORS (COULD BE DIVIDED) INTERESTED? ENQUIRIES TO:

DUNLOP HEYWOOD Taylor & Co Goldstein Leigh
20 New Bond Street, London W1P 2PQ Tel: 01-491 3345
6, Roper Street, Chelmsford, Essex CM1 1JH Telephone: (0245) 365661
41 Portland Place, London W1P 2LP Tel: 01-580 0932

Handwritten signature or note at the bottom of the page.

# HAVING A HEALTHY DISREGARD FOR THE IMPOSSIBLE.

It's called "never giving up." Looking with disdain at those who say, "It can't be done", or "It's never been done before." Answers we view as admissions of defeat. And we hate to lose.

It is with *aggressive thoroughness* that we attack a problem, constantly redefining it, challenging its assumptions.

Without this attitude, we would have never created the most talked-about way for a corporation to do low-cost, floating rate financing.

By challenging the assumption that the only alternatives were adjustable rate preferred stock or a continuing program of commercial paper, Lehman figured out a way for a corporation to issue *permanent* equity capital at a low cost. And then turn that lower rate of return into a higher after-tax yield for investors by making 85% of the investment qualify as a tax deduction.

Now, everybody wins.

It's called Money Market Preferred™ Stock. And you can tell by our trademark that we own MMP™ and its proven success.

This kind of thinking, coupled with the resources to afford virtually any size transaction, gives us the freedom to stretch our imagination. To the limit.

THE INVESTMENT BANKERS OF LEHMAN BROTHERS



THE ARTS

Television/Christopher Dunkley

Prepare for a low Grade future

ITV has recently relaxed and even abandoned many of its old rules about programme content and scheduling...

Coronation Street twice a week: BBC1 against ITV, south against north, London against Manchester...



'Coronation Street's' Rita Fairclough and Bet Lynch quarrelling over a bloke: competition is soon to come from the BBC in the shape of 'East Enders'

assurances about not running Blonkly Blonk five days a week, Grade says "but it is clear BBC1 will have to adjust its strategies..."

the sort of zeal that you find only among the converted. He pointed to the way The Professionals is now shown on the second side of the nine o'clock "family viewing" watershed...

unthinkable three years ago. He pointed to the way The Professionals is now shown on the second side of the nine o'clock "family viewing" watershed...

Of Mice and Men/Mermaid

B. A. Young

The course of John Steinbeck's narrative is predictable from the moment George finds the dead mouse in Lennie's great muscular hand...

Donohoe/Elizabeth Hall

Dominic Gill

I wrote after Peter Donohoe's last appearance at the Elizabeth Hall that "a Donohoe recital is that rare pianistic event which blends high seriousness and excitement in equal measure..."

Royal Variety Performance/Victoria Palace

Martin Hoyle

We were warned that the gloves were off: this year the Royal Family jokes would be nearer the knuckle. In the event, the Queen Mother was probably nostalgically reminded of the Crazy Gang...

professionals in unlikely guise included two intelligent actresses, Jean Marsh and Eileen Atkins, lapping away and Simon Callow, faintly gross in schoolboy shorts and cap...

Government handout for the arts

Antony Thorncroft

In his role as a Treasury Minister Lord Gowrie is the driest of the dries, closely scrutinising the budgets of his fellow cabinet members...

To ensure that traditional arts sponsors do not bleed their existing arts bodies to take advantage of Government money, the Association for Business Sponsorship of the Arts (ABSA)...

and edited; and the British American Arts Association, to which Endless Holdings is giving at least £75,000 towards the administrative costs of the 1985 American Festival in the UK...

Arts Guide

Theatre

WEST GERMANY
Munich: The English Theatre is presenting the Cheek by Jowl company, a young and enthusiastic ensemble who make ingenious use of simple stage designs...

WASHINGTON
Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local news in the form of Ed Wallace and Anne Jackson as a Russian diplomat and his unpredictable family...

LONDON
Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an ecotically entertaining man-eating prickly plant...

42nd Street (Musical): An immodest celebration of the holiday of Broadway in the '30s incorporates gems from the original film like Shuffle Off to Buffalo with the appropriately trash and leggy styling by a large chorus line...

Starlight Express (Apollo Victoria): A new Lloyd Webber roller-skating lullaby has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate razzing around...

Our Hi-tech share gets bigger. Acrian from California manufacturing semi-conductor devices and Align-Rite, Europe's first purpose-built semi-conductor photomask plant are investing nearly £10 million at the Mid Glamorgan Science Park...

RUDYARD KIPLING'S JUNGLE BOOK. LIVE ON STAGE FROM DECEMBER 4. ADELPHI THEATRE. 01-836 7611/2. CC 01-836 7358.

Handwritten Arabic text at the bottom of the page.



Friendly and compatible

# How to choose the right micro in just a few seconds.



"Significantly faster and more powerful than the IBM PC" (Practical Computing)

"Highly compatible" (PC User)

"Its flexibility leaves the IBM PC for dead" (Personal Computer News)

"Very competitively priced" (Micro Decision)

"You wonder why you put up with the IBM for so long" (Personal Computer World)

Baseline Business Systems Ltd, Aberdeen, 0224 639878. OLS Ltd, Aberdeen, 0224 644354. Debenhams Business Systems, Alton, Hants, 0420 89303. DCE Systems Limited, Aylesbury, Bucks, 0296 32971. S. J. Micros, Bamsley, S. Yorks, 0226 758646. SWW Computers, Bedford, 0234 40601. Sherwood Systems Belfast, 0232 751405. Onian Business Computers, Beverley, N. Humberside, 0482 882090. Currie Business Equipment, Birkenhead, Merseyside, 051 653 5111. Cccomputer Services Midlands, Birmingham, 021 382 4171. P&P (Business Equipment) Ltd, Blagdon, Avon, 0761 62739. Key Business Systems, Bolton, Lancs, 0204 593655. Ackroyd Typewriter and Adding Machine Co, Bradford, Yorks, 0274 731833. Cumbria Business Machines, Brampton, Cumbria, 06977 3463. M & H Office Equipment, Brighton, E. Sussex, 0273 697231. Avon Computer Equipment, Bristol, 027 582 3549. Bowdens Limited, Bristol, 0272 557031. Microsystem Centre, Bristol, 0272 426671. TABS County Management Services Ltd, Buckden, Cambridgeshire, 0480 811722. Woodward's, Cambridge, 0223 212611. The Business Technology Centre, Chelmsford, Essex, 0245 358989. Woodward's, Chelmsford, 0245 355385. The Computer Shack, Cheltenham, Glos, 0242 584343. Rockliffe Micro Computers Ltd, Chester, 0244 317377. Olico Business Systems, Chichester, W. Sussex, 0243 774522. Poly Systems, Clevedon, Avon, 0272 875898. Strident Computer Services, Colchester, Essex, 0206 549581. Tharstern, Colne, Lancs, 0282 813299. Warwickshire Business Services Ltd, Coventry, 0203 25266. Exol Computer Systems, Croydon, Surrey, 01 680 9990. East Midland Computers Derby, 0332 362481. Memory Ireland Computer Systems Ltd, Dublin, 0001 989733. Adda Computers, Ealing, London W13, 01 579 2333. John Richard & Co, Edinburgh, 031 665 8808. Olli-Tek Ltd, Feltham, Middx, 01 751 6267. Axiom Business Computers, Glasgow, 041 248 6699. Busitron (Sales & Service) Ltd, Glasgow, 041 331 2504. Clydeforth Data Systems Ltd, Glasgow, 041 248 7523. Kesho, Glasgow, 041 3322525. Millstream, Godalming, Surrey, 04868 258572. South East Business Systems, Haywards Heath, W. Sussex, 0444 416641. Healey Office Equipment, Homdean, Hants, 0705 59755. Wildings Office Equipment, Ilford, Essex, 01 514 1525. MBM Dingwall, Inverness, 0349 63922. Woodward's, Ipswich, Suffolk, 0473 57116. Altair Computing Services, Isleworth, Middx, 01 568 6281. Dart Business Systems Ltd, Ivybridge, Devon, 0548 830883. Filleuls Business Equipment Ltd, Jersey, 0534 21231. DAMS, Kirkby, W. Merseyside, 051 548 7111. City Business Systems, Leeds, 0532 693281. City Business Systems, Leicester, 0533 29711. A MacDearmid, Lerwick, Shetland, 0595 5225. Advanced Copy Systems, Liverpool, 051 931 3929. QS Business Systems, Liverpool, 051 236 3380. Rockliffe Micro Computers Limited, Liverpool, 051 227 2568. Microdec, London E11, 01 556 1526. MDT Systems, London N7, 01 272 2114. Metyclean Ltd, London SE11, 01 582 5555. Team Systems, London SW15, 01 785 7855. Analog Office Products, London W1, 01 380 0470. Boeing Computer Services, London W1, 01 631 0808. Integrated Business Systems, London W1, 01 495 5522. Keen Computers Ltd, London W1, 01 236 9942/5. London Computer Centre, London W1, 01 387 4455. Intelligence UK Ltd, London W12, 01 740 5758. Softfocus, London, 01 767 4014. Office Efficiency Machines Ltd, London W6, 01 748 8404. Tasha Business Systems, London W8, 01 937 7896. City Information, London WC1, 01 631 5303. TABS, Westminster, London, 01 222 5981. Spartex Micro, London WC1, 01 833 1867. Jansley Typewriter Co, Longstanton, Cambs, 0954 80333. Accounting Services, Loughborough, Leics, 0509 261797. Leradean, Maidenhead, 0628 20202. SFA Maidenhead, 0628 34291. Microsystems Centre, Manchester, 061 236 8588. Reflex Computers (Northern) Ltd., Sale, Manchester, 061-969 1337. Rockliffe Micro Computers Ltd, Manchester, 061 236 6036. Micro Management, Marlow, Bucks, 06284 75929. D Holt (Office Machines) Ltd, Middlesbrough, Cleveland, 0642 816637. Teesdale & Co, Middlesbrough, Cleveland, 0642 249977. Mandata, Newcastle, 0632 628302. Tyne & Wear Office Supplies Ltd, Newcastle, 0632 884994. Altol Business Systems, Newcastle, 0632 818798. Anglia Word Processing Centre, Newmarket, Cambs, 0638 665856. Qwerty Computer Systems Ltd, Northampton, 0604 36674. Office Automation, Norwich, 0603 40084/6. Woodward's, Norwich, 0603 28763. Keen Computers, Nottingham, 0602 412777. Nottingham Business Machines, Nottingham, 0602 222211. Whitehorse, Oxford, 0235 27706. Antone Systems Limited, Poole, Dorset, 0202 691911. P. J. Howlett (Business Systems), Preston, Lancs, 0772 615778. Computer Options Ltd, Reading, Berks, 0734 509891. Truswal, Reading, 0734 591223. E. H. Computers, Rochester, Kent, 0634 815626. Rigbys Office Equipment, Romford, Essex, 70 22022/4049. Debenhams Business Systems, Romford, Essex, 0708 28456 (also at Guildford, Harrow, London W1, Manchester, Oxford, Southampton and Staines). Valley Business Systems, Rossendale, Lancs, 0706 223301. Central Business, Saintfield, N. Ireland, 0238 510991. TABS Ltd, Salisbury, Wilts, 0722 338668. Microtek Computer Services, Sidcup, Kent, 01 300 3075. Granada Micro Computer Services Ltd, Slough, Bucks, 0753 820966. Microsystem Centre, Slough, Bucks, 0753 76976. West Country Business Systems Ltd, Somerton, Somerset, 0458 50010. Stuart R Dean Ltd, Southend, Essex, 0702 62707. Software Agents Ltd, St Albans, Herts, 0727 373278. Micro Applications Ltd, Stafford, 0785 43414. Itech, Stevenage, Herts, 0438 316561. Csar Computer Services (Northern) Ltd, Stockport, Ches, 061 429 8227. Micro Mill Computers, Stratford-upon-Avon, 0789 68393. P&P (Business Equipment) Ltd, Swansea, 0792 474801. Great Western Micro Systems, Swindon, Wilts, 0793 616616. Applied Micros Limited, Warrington, Ches, 0925 819939. Tesco, Welwyn Garden City, Herts, 96 25161. Brookwood Computer Sales, Wetherby, W. Yorks, 0937 66115. Intech Computers, Wheathampstead, Herts, 058283 3011. KGB Micros Ltd, Windsor, Berks, 07535 50111. Accord Office Systems, Wolverhampton, 0902 712501. Softcom, Worcester, 0905 612505. Micro Bridge, York, 0904 39449.

## How to find where to test it.

Ring your local dealer above or send us the coupon for further details, and see the M24's superiority for yourself.

To Valerie Belfer, British Olivetti, Olivetti House, 86-88 Upper Richmond Road, Putney, London SW15. Tel: 01-785 6666. Please supply me with details of the Olivetti Personal Computer.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel. No. \_\_\_\_\_



**olivetti**

# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telegrams: Finantimo, London PS4. Telex: 8954871  
Telephone: 01-248 8000

Wednesday November 21 1984

## Progress in Ulster

BEFORE the intervention in the Commons yesterday of Mr John Hume, the leader of the Northern Ireland Social Democratic and Labour Party and MP for Foyle, Mrs Thatcher was making a fairly convincing case that the Anglo-Irish summit meeting at the beginning of the week had been a success.

### Reconciliation

In short, and translating the stated language, there was a mutual recognition that there could be no progress towards Irish unity until there was some reconciliation between the parties in the north, Dr FitzGerald probably gained something else not having named the specific commitment of Mr Thatcher to a search for a solution other than the status quo.

Yet, as the Prime Minister said in the Commons yesterday, the creation of a political framework in Northern Ireland can only be brought about with "the full co-operation of the Northern Ireland political parties themselves."

Mr Hume seemed to dash all that. Indeed the Prime Minister responded to his intervention by saying that what he said did not give her much hope. It cannot give anyone else much hope either.

## Financial support for the arts

BRITAIN spends far less money per head on the arts than most leading industrial countries. The fact that theatres, museums, orchestras and opera companies are flourishing in the U.K., despite per capita spending which is only about one-third of the French and German levels, suggests not only that the arts are giving the British public exceptionally good value for money.

Even from a purely economic standpoint, therefore, the arts are an example of the sort of industry into which Britain should be putting more of its resources, and which it ought to be developing into an even more commanding position of world leadership.

For a market-orientated government which is determined to curb the role of the public sector, this poses a potential dilemma. For the arts, like many other activities in which Britain has recently excelled—inclusing scientific research, education and broadcasting—do not produce commodities which are particularly amenable to allocation through the ordinary market forces of price, supply and demand.

Rising trend  
Throughout history, non-market patronage has been a vital factor in financing both creative and performing arts, in part at least because the arts have been recognised as a genuine public good.

To its credit, the present government has approached the problem of arts patronage in a pragmatic and non-ideological manner. It has kept total government expenditure on the arts on a gently rising trend in real terms, even as it has cut back many of the public sector's other activities.

The Business Sponsorship Incentives Scheme, whose first successes were announced yesterday by Lord Gorman, Arts Minister, are one example of constructive and imaginative partnership between the public

and private sectors, with the Treasury providing a matching contribution of up to £25,000 for any new business sponsorship of the arts.

The fact is that incentives for business arts patronage are already substantial, since sponsorship usually qualifies for tax relief as a normal business expense.

The picture is very different when it comes to arts patronage from private individuals.

Individuals are overwhelmingly the most important source of funding for the arts in America. In Britain, individual patronage accounts for a minuscule figure estimated by The Economist at £4m a year, compared with some £200m in the United States.

Tax laws are the most obvious, though certainly not the only, reason for this disparity. While all charitable contributions are fully tax deductible in America, the British taxpayer must make a four-year covenant to an artistic or charitable institution, before Exchequer chips in with a limited amount of tax relief.

This difference in tax treatment may not appear overwhelmingly significant in theory, but in practice it makes soliciting individual donations to the arts enormously more difficult; people are simply less willing to commit themselves for years in advance.

Should the Government therefore relax the conditions with which tax relief on individual donations is currently hedged? The Treasury rightly believes the Government should be working towards the abolition of most special tax reliefs. But there is a significant difference between providing tax incentives to arts sponsorship and giving tax relief to home-owners and pension fund contributors.

The arts are a public good in a way which private homes and pensions are not; if individuals cannot be induced to pay more, then either the Government must do so, or society as a whole will lose out from a decline in artistic standards.

This may not constitute a case for wholesale reform but it would justify further experiments with private funding at the margin.

WHEN the Sultan of Chad was at war with his neighbour, the Chief of Baguirmi, at the beginning of the 19th century, it took 8,000 slaves to cut a passage for his army through the dense forest separating the two kingdoms.

Now the Ouaddai is an arid savannah, part of a swath of fragile land on the fringes of the Sahara, called the Sahel, which is turning to desert at the alarming rate of millions of acres per year as population pressure increases and wind and water erode the soil.

Like the metastasis of a cancer, patches of dusty wasteland are springing up throughout Africa, from desperately poor Mauritania in the west to Somalia and the Indian Ocean from famine-hit Ethiopia in the north to the normally less precarious farmlands of Kenya and Tanzania.

While those who dwell in the drought areas scan the horizon for sign of rain, international donors, private aid agencies and, increasingly, African governments are looking beyond the short-term emergency and seeing the change to desert as perhaps the most serious threat to Africa's long-term development.

The famine which now threatens 35m people (the worst this century in some parts of Africa) is prompting a search for root causes by donors and recipients which has led to a scathing indictment of the state of African agriculture.

The problem of developing agriculture in the Sahel is not too little money, but too much." is the startling conclusion drawn by one experienced official of a leading Western donor, echoed by many private charities.

Virtually self-sufficient in food production in 1960, per capita production began a steady decline in the 1970s. In the Sahel, 2.5 to 3 per cent annual rise in cereals production rose in the Sahel nor other parts of Africa such as Kenya, where population growth is running at 4 per cent a year, and family planning programmes having much success.

Total African coarse grains production is expected to fall to 46.1m tons this year from 54.6m in 1982, according to Food and Agriculture Organisation figures. A steepest estimate is that the continent will require food aid shipments of 3.6m tons of cereals by next June.

Donors blame African governments not only for environmental neglect, but for depressing food production by enforcing low prices to try to placate urban consumers. Governments report that donor projects are often ill-designed, centrally generated, and demand for home exports and strain their budgets with heavy recurrent costs.

Private aid workers fault both sides for imposing inappropriate technologies on farmers who develop a crippling dependence on centralised authority.

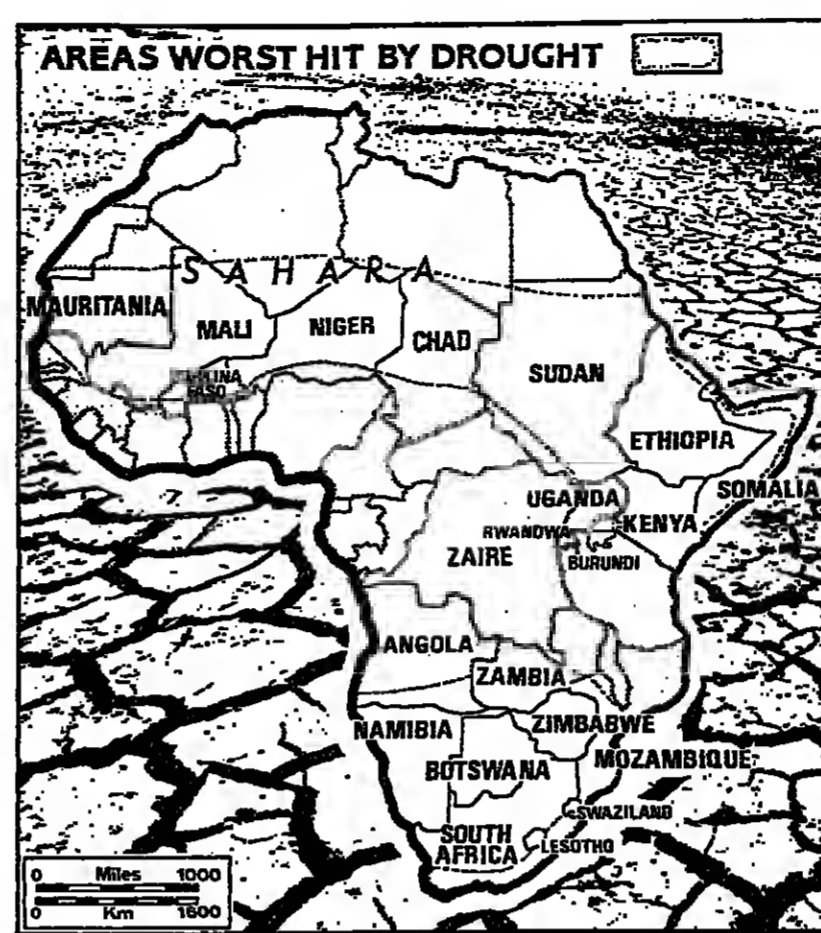
Haunting scenes, familiar from the deadly Sahel drought of 1972-74, of women and children scratching in the dust for spilled grains outside government cereals stores, have become a grim reality in Mali, Chad, Mauritania and Burkina Faso (formerly Upper Volta) where some regions have had a normal harvest.

The same images which spurred a flood of aid funds to the Sahel in the mid-1970s are now prompting donors to ask why more than \$10bn in external aid to the region over the past decade has failed to cushion it from a fresh disaster.

The simplest answer is that only a fraction of this aid has gone to the agricultural sector. Of the \$7.5bn in aid which went to the eight countries of the Sahel (Mauritania, Senegal, Mali, Niger, Chad, Burkina Faso, Cape Verde, and Gambia) between 1975 and 1980, less than a quarter was spent on agriculture.

The fact that large-scale irrigation is the only way of making the region fertile is that sufficient in food production means that massive sums have been spent on capital-intensive schemes. But according to a recent World Bank assessment, such projects have yielded disappointing results.

For every new hectare of land brought under irrigated cultivation, at a cost of nearly \$20,000, a roughly equal amount of previously irrigated land becomes barren as poor drainage leads to waterlogging and a build up of salt in the soil, which renders it unusable.



## DISASTER IN AFRICA

# The lifeblood drains away

By Patti Waldmeir, recently in the Sahel

### THE CRISIS ZONES

● WEST AFRICA — In Chad, 2,000 people have died in the past three months in what is believed to be the worst drought this century. In Mali, 1.5m are at risk, and disease has virtually wiped out children aged under one in relief camps in the Timbuktu area. Cattle losses in Mauritania are estimated at between 40 and 90 per cent. Niger expects to lose up to 60 per cent of this year's cereals crop. In Burkina Faso, up to 2m people may be at risk.

● EAST AFRICA—Ethiopia is experiencing its worst drought in memory, with 6m people in danger. Kenya's maize crop is expected to be only 60 per cent of normal, putting 2m people at risk. Sudan, Rwanda and Burundi are also suffering from below-average harvests.

● CENTRAL AFRICA—there have been heavy crop losses in eastern Zaire.

● SOUTHERN AFRICA—three years of drought have cut the region's coarse grains crop to 10.4m tons this year, less than half of the 22.5m harvested in 1981 (the last drought-free year). In Mozambique, 100,000 people have died as a result of famine so far this year, with deaths continuing at a rate of between four and five a day in the Mossauritz district.

increased yields; large-scale irrigation has had "mediocre" results and has been very costly. The report concluded that, in the absence of any major technological innovation on the horizon, attempts to increase significantly the ability of marginal lands to support their current populations should be virtually abandoned.

It applauds the efforts by Sahelian governments over the past decade to increase price incentives to farmers, but concludes that pricing policy alone cannot solve the problem of production in a region where hunger already provides the strongest possible spur to increasing output.

Niger is a case in point. After the 1970s drought, the Niamey Government raised cereal prices, concentrated investment on food rather than cash crops, and improved grains storage and distribution, making the country virtually self-sufficient in food production until this year's disastrous rain failure. But despite these large production increases, thousands of rural poor still go hungry.

There is a growing realisation among governments and donors that no amount of aid can save the Sahel unless its population can be motivated to fight the change to desert. Modest projects which involve people in planning and implementation are reckoned to be the most successful: simple water harvesting techniques taught by aid workers believe that the creation of an institutional framework at village level, like the "revolutionary defence committees" being set up in Burkina Faso will be the key to sustained rural development.

In the short term, the limited capacity of the local bureaucracy is likely to be severely strained by the demands of protecting millions of lives threatened by famine.

With Ethiopia still virtually cornering the market for Western sympathy towards Africa, there is the danger that little will be done to help those now starving in the rest of Africa, especially in Chad and Mozambique, until it is too late.

True to past form, the food will start arriving just in time to depress local markets as production finally begins to recover from the drought," says one embittered Western aid worker. "And all we'll have done with our billions of dollars of aid is to ensure that the next famine will be even worse."

## 'Problem of developing agriculture in the Sahel is not too little money, but too much'

some donors readily admit are "easy options" such as road construction, administrative training for civil service personnel and urban construction—projects which conform to donor expertise and show a rapid rate of return.

While no African government has already questioned the need for good roads to distribute drought relief and permit trade between surplus and deficit areas in normal years, development economists say the urban bias of most such projects tends to aggravate the massive urban gulf between town dwellers and the rural poor.

But there is little prospect that the current imbalance in favour of spending on non-

agricultural projects can be redressed in the near future.

The largely subsistence economies of the most arid parts of the Sahel can no more digest billions of dollars of aid than their parched and crusty soils can absorb a cloudburst.

Private aid workers in Burkina Faso complain that donors such as Usaid, the U.S. development agency, refuse any project which cannot be designed to absorb more than \$100,000. "They tell us it costs them at least that much to keep

children scratching in the dust for spilled grains outside government cereals stores, have become a grim reality in Mali, Chad, Mauritania and Burkina Faso (formerly Upper Volta) where some regions have had a normal harvest.

The same images which spurred a flood of aid funds to the Sahel in the mid-1970s are now prompting donors to ask why more than \$10bn in external aid to the region over the past decade has failed to cushion it from a fresh disaster.

The simplest answer is that only a fraction of this aid has gone to the agricultural sector. Of the \$7.5bn in aid which went to the eight countries of the Sahel (Mauritania, Senegal, Mali, Niger, Chad, Burkina Faso, Cape Verde, and Gambia) between 1975 and 1980, less than a quarter was spent on agriculture.

The fact that large-scale irrigation is the only way of making the region fertile is that sufficient in food production means that massive sums have been spent on capital-intensive schemes. But according to a recent World Bank assessment, such projects have yielded disappointing results.

For every new hectare of land brought under irrigated cultivation, at a cost of nearly \$20,000, a roughly equal amount of previously irrigated land becomes barren as poor drainage leads to waterlogging and a build up of salt in the soil, which renders it unusable.

African critics blame World Bank programmes which emphasise cash crop production

## Grenoble grabs electrons

Brian Fender, aged 43, a British scientist, has played a discreet role in provoking a violent French political row which threatens President Mitterand with spirited protests when he visits Strasbourg tomorrow.

Fender, a chirpy, jargon-free chemist from St Catherine's College, Oxford, is the director of the Grenoble-based Institut Laue-Langevin, the world's leading research centre using neutron beams to probe the structure of matter.

Over the last year he has lobbied hard together with the rest of the Grenoble community to bring a \$100m European X-ray synchrotron to the Alpine capital.

The promotional efforts, aided by offers of subsidies from regional councils, paid off last month. The French government announced that the synchrotron, which speeds electrons to close to the velocity of light to enable research into materials structure — would indeed be based in Grenoble rather than in the competing centre of Strasbourg.

The Strasbourg region responded with fury, claiming that the government had reneged on its promises to bring the machine to eastern France.

"The fact that Mitterand is to give Strasbourg a paper factory instead is not likely to absolve him from the wrath of his hosts."

## Men and Matters

that the government had reneged on its promises to bring the machine to eastern France.

The fact that Mitterand is to give Strasbourg a paper factory instead is not likely to absolve him from the wrath of his hosts.

Back in Grenoble, Fender says that the decision to put the machine next door to his institute represents a "marvelous opportunity." He is pushing for the synchrotron centre to be named the Maxwell Institute.

The choice of name, by the way, is to honour the 19th century English physicist, not London's extrovert Mirrorman.

Aggie's new look  
The magnificent but sadly neglected Royal Agricultural Hall in Islington, London—perhaps better known as the Aggie—is to have a £11m facelift which will turn it into Britain's first office equipment exhibition hall and wholesale trade centre.

Islington council has agonised for years about the Aggie's future. Her 150-odd cast iron roofwork and superior style, redundant of more relaxed times, clearly call for something better than a quick conversion into, say, a supermarket.

## Pearls of wit

Sir Walter Marshall of the CEBG, whose comic talents I admired yesterday, is not the only aspiring stand-up comedian in UK business.

John Finan, general manager of the slightly-staid Pearl Assurance, astonished his audience at yesterday's London conference on High Street financial centres by starting his speech with a string of wisecracks followed by a five-minute Muppet movie.

Not all of his jokes (even more astonishingly) are repeatable here. The one I liked best concerned an attorney who was told to get to the back of the queue. "But there's someone there already," he complained.

## Precious stone

The fourth largest diamond ever found goes on display today at the National Museum of Natural History at Washington's Smithsonian Institution.

Naturally enough, it belongs to the world's biggest jewellery retailer, the Texas-based Zale Corporation which happens to be celebrating its diamond anniversary.

## Computer boom

Ask Acorn Computers if its 32k micro is selling like a bomb? And you'll get a hollow laugh.

A computer pundit on The Micro User magazine, answering an "error message" query on his pajama page, jocularly advised: "Take your computer immediately to the dealer as this error message indicates it is about to explode."

The joke certainly went with a bang. According to Acorn several hundred readers took the advice literally and hurried round to their dealers with what they believed were potential bombs.

## Great shakes

The instruments which measure earth tremors were quivering; the computers were giving out strange readings at the Royal Meteorological Institute in Brussels.

Officials were extremely worried, according to the subscription magazine Computergraph International. It looked like the preliminaries to an earthquake except that the readings were unlike any they had seen before.

## Better Business.

ARISTON  
Ariston Insurance  
Provident Life Association, Head Office, Basingstoke  
Opening July 1985

## Better Life.

The reasons why successful companies come to Hampshire.

Lower overheads. Excellent communications. Skilled workers. Property investments of real value. The appealing quality of life.

Leading life assurance company Provident Life realised these benefits add up to a better business and a better life.

Relocating from London to Hampshire, less than an hour away, substantially cuts overheads and many of its staff are attracted by the Hampshire lifestyle.

For advice on a successful new location, contact the Hampshire Development Association, 13 Clifton Rd, Winchester SO2 2SS  
0 phone 0982 96080.  
(0)veas +44 962 56000.

Where people like to work

Observer

UK ATOMIC ENERGY AUTHORITY

In search of a new role

By David Fishlock, Science Editor

FAR-REACHING changes in the way the UK Atomic Energy Authority is funded are expected to be announced shortly. The Government is anxious to allay any suspicion that it is subsidising the nuclear industry through this agency's £375m annual budget.

For 30 years this high-technology agency, created in 1954 from post-war nuclear activities of the (then) Ministry of Supply, has provided government with advice on nuclear matters.

The changes now being discussed and the way they are managed, will determine the authority's future role in nuclear power generation. They could also enable it to play a bigger role in the transfer of new technology from laboratory to British industry generally.

Both roles are foreseen by a Whitehall review body which has concluded that, whatever errors may have been made in the past, the Government will continue to need an agency that is "not fundamentally different from the authority in its present form."

The UKAEA invented and took to demonstration stage Britain's first and second generations of nuclear power stations. It laid the foundations for international nuclear fuel and radio-isotope businesses.

But not everyone in the nuclear industry shares the enthusiasm of Sir Peter Hirsch, Professor of Metallurgy at Oxford University and former part-time chairman. (The authority is now being run on a caretaker basis by Mr Arnold Allen while the Government decides on its future role.)

"It's a marvellous organisation," says Sir Peter. But its technological arrogance has left a legacy of enmity. For example, the opposition to many of the difficulties of the reactor design and construction industry in Britain to the determination of the authority to retain control of its technology is a deliberate fragmentation of its sources of supply for its prototype reactors.

Some go so far as to say that the roots of present difficulties in getting the industry to agree on a joint industrial company, independent of the UKAEA, to

Should more of the authority's budget come from the electricity industry? The CEBG's Sir Walter Marshall (l) takes a different line to that in a study requested by Mr Peter Walker (r)



undertake the U.S.-designed pressurised water reactor in conflicts which arose originally between the authority and the electricity industry.

Sir Walter Marshall, its former chairman and now as chairman of the Central Electricity Generating Board, chief UK customer for nuclear energy, clearly wishes to see a new independent PWR company. He argues that such a company is essential if manufacturers are to shoulder financial responsibility for building further British reactors to the quoted schedule and price.

It is also essential, he says, if Britain is ever to find a role in exporting nuclear reactors. The National Nuclear Corporation, with the UKAEA as majority shareholder, is an unconvincing source of supply for an overseas customer, he argues.

But Sir Peter says he has no wish to absorb the authority, as an enlarged nuclear research arm of the CEBG. He sees clear advantages in the UKAEA's

independence, above all in its advice to Government on nuclear safety. He believes that this public is more likely to recognise that independence if part of its budget continues to come from the tax-payer, and not from the electricity supply industry.

The Treasury is taking a different view. It argues that the £40m a year currently being spent by the UKAEA on safety should come wholly from the electricity industry.

The Treasury line emerged in the Whitehall review last summer, requested in March by Mr Peter Walker, the Energy Secretary. The nuclear industry, "as the primary beneficiary for most of the authority's work," should pay a greater share of the cost, according to the review.

The authority's biggest role for the foreseeable future will continue to be the fast reactor, which costs about £100m a year, including safety. This nuclear technology has been shown to work. But in the absence of any dramatic increase in uranium prices, the fast reactor still needs intensive engineering development to make it competitive with present-day reactors.

Fast reactor technology will conserve energy by using fuel discarded by current reactors. It is also the electricity industry's insurance against

escalating uranium prices. The authority argues that the very existence of an alternative fast reactor is helping to keep uranium prices down. Common select committee inquiry this year was not impressed by its arguments about insurance, and the size of the premium, which it estimates at a total of about £2bn by the time Britain currently expects to introduce commercial fast reactors, around the year 2010.

The review has not challenged government policy that Britain henceforth will collaborate in a European "club" to develop the commercial fast reactor, including joint funding of demonstrators abroad. But how far and how fast the electricity industry should assume full responsibility for research and development costs is still a contentious matter.

One way it could be resolved is for the Government to relax the financial targets which the electricity boards are currently required to meet, with the difference seen as a long-term insurance premium. Another way would be for the Energy Department to act as "proxy customer" — as the Department of Trade and Industry does — and set the authority specific targets to meet. The taxpayer would then retain the main interest in paying for a technology which may not be used for another 25 years.

Another continuing nuclear role foreseen for the authority is as a "fire brigade" with wide-ranging expertise able to move swiftly whenever trouble strikes the nuclear industry.

prospect of nuclear fusion. The authority is likely to continue to manage the national programme. As Sir Peter Hirsch sees fusion research, it is just "holony" in talk of transferring this to the Science and Engineering Research Council as a basic scientific programme.

The review body acknowledged that it expects fusion to remain a responsibility of the UKAEA with the objective of providing an alternative source of electricity in the future. Much of the £22m a year currently being spent in the UK comes in fact from the EEC.

Nevertheless, the thrust of advice Mr Walker has received from his review is the need for a more rigorous application of the customer-contractor relationship of funding R and D. To implement it, the review has proposed a single trading fund to embrace all activities of the authority.

But if the Energy Department is to undertake the role of proxy customer for the long-term interests of the electricity industry for the fast reactor and nuclear fusion, it will be obliged to set targets for the authority. In short, it will have to commit itself to a timetable for a demonstrator fast reactor, as part of a European plan.

Politically more palatable it present may be decisions on the non-nuclear side of the authority's activities—transfer of high-technology to other industries. Earnings from this activity exceeded £27m last year. The review has concluded that nuclear and non-nuclear R and D are too interdependent to be separated. Instead, skills in technology transfer should be backed with the financial freedom of a trading fund, avoiding the big restriction of and-of-year accounting. It says: "Already, in anticipation of future freedom, the UKAEA has opened talks with the City about venture capital to support joint ventures with non-nuclear

Latin American debt

Brazil's chance to get off the escalator

By Shirley Williams

THE Inter-American Development Bank report on Latin America shows a substantial fall in the gross domestic product per head in 1983 to 1983 of nearly 10 per cent, and well over that in Brazil, Argentina and Chile. But bad as those figures are, they are not the whole story.

The distribution of income is highly unequal. In Brazil, for instance, the whole of the decline in the standard of living has fallen on the poor and the struggling middle class. The rich have become richer. The dreadful scenes of famine in Ethiopia that appear on our television screens have not yet been repeated for Latin America. But if the whole of export revenues go on being poured into debt servicing and not into development, mass hunger cannot be averted.

Latin America owes \$130bn of accumulated debt to Western banks and international organisations. The money was borrowed in the 1970s, when millions of petrodollars were being stuffed into every investment opportunity, and interest rates were lower than inflation. All that has changed because of the recession and the effects of U.S. monetary policy on interest rates. The debt has become a millstone around Latin American necks; every 1 per cent increase in world interest rates adds \$1.5bn a year to the cost of servicing the debt; export revenues are largely devoted to that end.

The continent is trying to run up a downward-sloping escalator. To service debt through export revenues, imports have been cut savagely, including goods needed for development. Yet development is essential if output growth is to match rapid population growth, so that per capita living standards do not fall even further.

Thousands of hectares of land have been switched from food to cash crops for export, particularly soybeans and beef. The consumption of beans, a staple of the Brazilian diet, has halved since 1980. Worst hit of all is the north-east, where children stretch vines across the road to stop cars so they can beg for food and money, anything to keep alive. Estimates of children abandoned by their

families run to 20m or more. Brazil is in the process of returning to democracy by way of indirect elections in January. There has been a powerful grassroots demand for direct elections, which would unquestionably have led to the election of Sr Tancredo Neves, the candidate of the opposition coalition, the PMDB. But the Brazilian Congress rejected direct elections, so the decision will be made by a 688-strong electoral college; the voters may be swayed by family connections and business; they may simply be bought. But political feeling about the IMF conditions for debt repayment runs so high that the presidential candidates have had to declare their positions.

Sr Neves is a respected ex-Prime Minister who recalls to Brazilians the years of growth and democracy before the military regime was established in 1964. The coalition he leads includes an important breakaway group from the government party, and running as it does from the centre right to the far left, has considerable internal strains.

If elected, Sr Neves will try to introduce constitutional reforms, including direct elections, to consolidate his support for the long economic haul ahead. He told me that he accepted the need for more direct investment in Brazil; but above all he argued that some part of Brazil's export revenues, perhaps \$5bn out of this year's expected \$13bn surplus, should be ploughed back into development, including essential imports. A government trying to establish a democracy under the baleful eye of the military must have a period of relief from the relentless demands for still higher export surpluses to service the debt.

Sr Paulo Maluf, the fast-talking and ambitious candidate of the governing party, the PSD, could still win the elections in January, though the graffiti on walls all over Brazil bear wit-

ness, like the opinion polls, to the huge popular lead of Sr Neves. "Indirect elections," Sr Maluf told me, "make it easier for the government party to win." A brilliant businessman of Lebanese origin, Sr Maluf describes himself as "the real radical." He claims that the debt is no problem, less per capita than that of the U.S. or of Israel. In any case, he adds more menacingly, "the banks need Brazil as much as Brazil needs the banks." But he recognises the need to attract more direct investment and would raise the present 25 per cent profit by 1 or 2 per cent.

Both candidates reject the case by *caso* approach to debt rescheduling, advocated by Western governments, as wholly inadequate. If, as they would want, interest rates to be capped at 6 or 7 per cent, the remainder being added to capital debt, then the governments of the creditor countries will have to be involved, and so will the central banks. What they have in mind is a new settlement, political as much as financial, for the scale of the crisis far exceeds what can be handled by financial transactions alone.

Western governments and banks must recognise the political and social consequences of starving countries in order to service debts. The Latin American governments have responsibilities as well. The cost of servicing debt has been visited largely upon the middle classes and the poor, those least able to bear it. The highly unequal patterns of income and wealth in many Latin countries have become more, and not less, unfair during the four years of contraction. At least before 1979, the poor could hope for better things. Meanwhile the poor have become much more aware of their plight, largely through the efforts of priests and bishops in the Roman Catholic church. No longer do they regard their poverty as the will of God. The potential for an explosion is there if the governments are unable to offer some hope of reform.

The author is president of the Socialist Democratic Party.

Paying for politics

From Mr E. Chalder. Sir,—While welcoming your leader "Paying for politics" (November 12) as a thoughtful and valuable contribution to a matter that must surely become an open debate in this country before long, may I draw attention to two aspects upon which your leader did not touch?

In the first place, it is surely essential that all political parties, especially those that aspire to government, should publicly account for both income and expenditure and should do so in at least as much detail as any other major institution. Not only is it legitimate to raise public interest in political institutions then in even a major company or trade union, there is also a need to protect the interests of both members and supporters. It is, after all, ostensibly in their name that the money is raised and spent and protection of individual shareholders, employees and members already a specific concern of legislators when compulsory accounting rules are prescribed for other institutions.

This leads us to the second aspect. This is the whole question of democracy and accountability. The wholly-to-be-applauded moves by the Government to protect the interests of trade union members (and it was announced two years ago, the interests of building society members) have no logical basis unless they are to be seen as steps along the road to legislation for the rights of all members of all institutions and especially those which play significant roles in our national life.

Even without the support of public money, for which the case as you say is so powerful, we have surely moved beyond the time when major political parties can be regarded as a law unto themselves. The distortions in the Labour Party's structure are readily apparent and may well cause fears of the possible consequences. The defects in the Conservative Party's structure are less apparent to the outsider, but the authority over all that massive central expenditure is still determined on the basis of Disraeli's decision to create his own private office. There can be no question of public contributions to political parties until these grave deficiencies are remedied.

Those within the parties who oppose public subsidy may well do so in the clear knowledge that their present excessive privileges would disappear, but let that not be accepted as an excuse to prolong them. Even

Letters to the Editor

political parties should not be so mighty as to be above the law that they apply to others. Eric Chalder, 21, Ingleside Close, Beckenham, Kent.

Parents and students

From Mr A. Walker. Sir,—Is it not time that the system of student maintenance grants is recognised for what it is—namely an additional income tax on the suffering parents?

Sir Keith Joseph's latest proposals to tax parents at a maximum rate of 25 per cent (£1 extra contribution for each £4 of extra income). This means that some earned incomes will now be taxed at a top rate of 85 per cent, which compares with 83 per cent during the worst excesses of the last Labour Government. Not too many will want to waste sympathy on those with stratospheric income levels, but this should not be allowed to obscure the issues. Does the Government believe it has a mandate to go back to such a tax regime? Should the chance factor of one or more university-standard offspring be the only entrance ticket to this regime?

A. L. N. Walker Dale Brook Cottage, Macclesfield Road, Prestbury, Cheshire.

Pension schemes and taxes

From Messrs. C. Santhouse and D. Whittington. Sir,—With the approach of the next Budget, articles are starting to appear in the financial press concerning the possibility that the Chancellor is considering the introduction of a tax on the investment income and capital gains within pension funds which are currently exempt from tax under Section 21(2) of the Finance Act 1970. A flat tax rate of 25 per cent has been mentioned.

The imposition of a tax on pension funds would have to be taken into account in the actuarial calculations which are based on long-term assumptions as to interest rates and inflation. We have considered a typical final-salary pension scheme of some maturity with a particular set of benefits, excluding, for simplicity, existing pensioner members.

If the past service benefits were covered by the investments on a given actuarial basis under the current tax treatment

of pensions funds, then the funds required to cover the past-service benefits with a 25 per cent tax charge could increase by 75 per cent to 100 per cent, that is, substantial further contributions would be required.

In addition, if the currently recommended future service contribution rate was 12 to 13 per cent of salaries, then this might have to increase to above 20 per cent of salaries in view of substantially lower anticipated net real returns by the scheme.

The problem would be reduced if a way could be found to relieve tax relief on inflation—perhaps only tax the yield in excess of inflation?

We hope this has at least drawn attention to the serious financial consequences for pension funds if a tax charge is introduced. Many companies may be unable to maintain their pension schemes under such a regime, and many schemes will be immediately actuarially insolvent! Cyril Jonathan Santhouse and David Whittington, International House, Deansgate, Manchester.

Bad policies are worse than none

From Mr D. Kidd. Sir,—Last week bishops in the General Synod of the Church of England attacked a doctrine they referred to as "monetarism."

It so happens that this kind of attack is fairly routine and it may be interesting to cite part of a rejoinder once made by the late Professor Frank Knight, the "grand old man" of Chicago University, a distinguished economist and professor of social sciences and philosophy. In a review of a book containing the kind of sentiments uttered by the Synod he wrote with some understandable asperity: "Such toplofty preaching of platitudinous profundities about the deeper-historical-forces and the higher-spiritual-values has exactly as much relevance to ordinary concrete economic issues as it would have to an outbreak of typhoid spread from an infected water supply... problems of means and ends are not solved by romancing about them, or moralising, in whatever pretty or edifying phrases. Better let them alone, since bad policies are worse than none. It is a sad truth that one main enemy of sound economic action is precisely the higher spiritual values as expounded by the bulk of our

sociologists and historians, and, of course, the preachers and moralists and literary intelligentsia... after an epoch of venturing and achieving we see a mania for security and insistence on the right to consume regardless of production in a world which just isn't built that way."

And be concluded with a point of especial relevance to the Synod: "Much of what passes current, even as sacred, in this country is the right to consume regardless of production in a world which just isn't built that way."

Professional merger

From the Public Services Officer, Barnsley Metropolitan Borough Council. Sir,—Mr Turnbull (November 14) has obviously grasped the fundamental principle of good propaganda in that the most plausible lie contains a grain of truth. Unfortunately in today's harsh environment the grain of truth in your correspondent's comments is so small as to be scarcely discernible.

For my part, I observe the representatives of the firm which has been appointed by the audit commission to audit my council's accounts. Young men, barely out of their teens, dressed in sharp suits driving expensive sports cars, who seemingly spend all the few hours they are actually in the office asking members of my staff how the organisation works. I am green with envy.

Golfing lobby power

From Mr J. Hatherly. Sir,—Mr J. Hatherly (November 13) advocates rateable values being based on site values but scores an own goal by indicating that unoccupied land would contribute. He underestimates the power of the golfing lobby which would fight any such proposal as it would surely lead to hefty and rightly fair burdens on the private golfing community. J. K. Mopey, 18, Pembroke Gardens Close, W.8.

A taste of Paradise to Colombo.



Every Wednesday, Friday and Sunday... with the people of Paradise.

On all our luxurious 747 flights to Colombo you'll enjoy fine wines and a choice of menu—even in Economy—and arrive early the next morning. En route—service with a gentle warmth that can only belong to those who live in Paradise.



Call your Travel Agent or Air Lanka, Tel: London (01) 438-0291/2/3; Birmingham: 2366211; Bristol 290048; Edinburgh 2257292; Glasgow 2494121; Leeds 434166; Liverpool 2366135; Manchester 8329611.

**FREEDOM FOR YOUR CAPITAL?**

With generous setting up grants, your capital goes further in Newport. Contact Gareth Isaac, Borough of Newport, Civic Centre, Newport, Gwent NP23 4UR. Tel: 0633-562906.

# FINANCIAL TIMES

Wednesday November 21 1984

**SERVICEPOWER**

The world's leading distributor of earthmoving equipment

**BLACKWOOD HOUSE**

### REAGAN PLANS TO CUT AID AS SMALLER AGRICULTURAL UNITS FIGHT TO SURVIVE

## Bleak outlook for U.S. farmers

BY NANCY DUNNE IN WASHINGTON

U.S. AGRICULTURE faces "a difficult future" with profound changes in store for the farm sector which will include a rise in its total debt to \$463bn by 1995, according to a report by U.S. farm lenders.

The report, released yesterday by the Farm Credit System, comes just as Reagan budget officials are targeting the agriculture sector for major cutbacks in farmer assistance in an effort to reduce the U.S. budget deficit.

According to the report, a dual agricultural system is emerging in the U.S. with large farms growing larger and accounting for most of the farm output and income. Smaller farmers, who have fallen on lean times, are increasingly searching to augment their incomes with off-farm employment," the report says.

The future is bleak for those farmers who lack the resources and management skills to adjust. The

report predicts continued surpluses which together with serious debt and inadequate foreign exchange in the Third World, will damage exports and keep farm income "relatively low".

Farm economists say U.S. agricultural sales have been seriously hurt by the strong dollar. Administration farm officials attribute the weakness in exports to high price supports, which they say keep U.S. products priced above market clearing levels. Besides cutting supports, they are also talking about a cap on farm programme expenditures, which reached an estimate \$11bn last year, and an end to schemes which pay farmers not to plant their crops.

The total number of U.S. farms, which has been falling steadily, will continue to decline about 1 per cent through the next decade, the report says. Realised net income in 1987

dollars for the 1985-95 period is forecast at \$9.59bn a year, up from the \$7.5bn average for the 1981-83 period when farmers suffered their worst recession since the Great Depression, but below any year in the 1970s.

As the rural economic structure changes, some areas will "withier" while others will prosper if off-farm employment is made available in nearby towns or cities. Many rural banks will disappear and most of the survivors will affiliate with larger institutions, the report says.

Foreign banks are expected to offer competition to the larger, less personalised American institutions. "European banks, notably co-operative institutions, increasingly will seek investment and lending opportunities in the U.S. to place their growing pool of surplus funds," the report predicts.

not effect production of grains, which is expected to increase significantly by 1995 as a result of improved yields.

Those farmers who survive will be the ones skilled in management and marketing techniques. The growing sophistication and specialization of farm managers, the increasing concentration of large commercial farming operations and the demands of outside investors and creditors will expand the need for professional business advisers and high technology.

After suffering the effects of economic policies beyond their control - inflation in the 1970s and the strong dollar now - farmers are now likely to be the big losers in budget-cutting battles ahead. Urban Congressmen are critical of the billions of dollars spent on expensive schemes such as last year's payment-in-kind.

## London signals new timetable for SE changes

By John Moore in London

THE SO-CALLED "big bang" on the London Stock Exchange which will dismantle fixed scales of commission on securities deals is not likely to take place before the autumn of 1986, about a year later than some had expected and just weeks ahead of a deadline set by the British Government.

The new timetable was signalled yesterday by Sir Nicholas Goodison, chairman of the London Stock Exchange, which said the need for extensive technology reform of the market, to support wide-ranging structural changes, could not be completed before the autumn of 1986.

In February this year, the Stock Exchange had indicated that commission scales would be dismantled on a set date, but not before the autumn of 1985. Then the stock exchange gave a warning that it would need sufficient time to ensure that its central market remained liquid and that investors had adequate protection before commissions were finally dismantled.

That would require new technology, which, the stock exchange said in February, would make any abandonment of present commission scales impossible before the autumn of 1985.

Sir Nicholas, speaking at a conference on computers in the City of London, said yesterday: "We are reaching a clearer idea of the timing of the change to our market systems, including the proposed system for surveillance. Internal studies have led to the formation of a strategic plan for technical development to meet the new needs."

He added: "It begins to look as if it could be the autumn of 1986 before we can complete the technical development necessary to introduce the new market quotation and surveillance systems. This enables us to meet the Government's deadline, but our ability to meet the deadline very much depends on avoiding technological accidents."

For months the London stock exchange has been attempting to devise computer systems to back up a radically restructured stock market. The changes have been caused by the British Government's decision to deregulate the stock exchange in the summer of 1983. In return, the stock exchange had to dismantle its minimum commission scales.

Move to computerisation, Page 14

## Kirkpatrick to quit UN post

By Reginald Dale in Washington

MRS JEANNE Kirkpatrick, President Ronald Reagan's ambassador to the United Nations, announced yesterday that she would return to private life after the current UN General Assembly session ends on December 10.

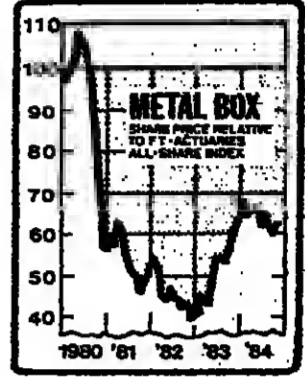
Her statement came as a senior Administration official told reporters that Mr Reagan planned to keep his current national security policy team in Washington intact as he starts his second term - apparently removing the possibility that Mrs Kirkpatrick might be given a high-ranking post as a security adviser.

The official said that Mr Caspar Weinberger, Defense Secretary, Mr William Casey, Director of the Central Intelligence Agency, and Mr Robert MacFarlane, National Security Adviser, had all discussed their jobs with Mr Reagan and were planning to stay on at his request. Mr George Shultz, State Secretary, announced that he was staying on last week.

It is widely assumed in Washington that the controversial Mrs Kirkpatrick would have liked Mr MacFarlane's job - she is said to have been disappointed not to have been given the post when he first took over in October 1983.

### THE LEX COLUMN

## Autumn leaves on Wall St



looks as if the effect of fiscal and monetary easing is being felt increasingly in the import bill.

### Electrolux/Zanussi

Yesterday's third-quarter profit statement from Electrolux was a welcome relief after the string of disappointing results from Swedish companies. Over the first nine months income after financial items rose 46 per cent to SKr 1.7bn and the company is sticking to its forecast of around SKr 2.4bn for the full year.

But, while these numbers are all to the good, they are completely overshadowed by the acquisition of Zanussi which the appliance of patience seems at last to have brought within the Swedish company's grasp. Barring any last minute hitches, Electrolux should be able to consummate the deal shortly before Christmas.

Even for a group as experienced in corporate resurrection as Electrolux, the purchase of Zanussi is an extraordinary bold move. Italian accounts are not among the most reliable in the world, and even assuming that every skeleton has by now been shaken out of every cupboard, Zanussi will be piling up losses for two to three years yet.

Electrolux has driven a hard bargain with the creditor banks and has structured the deal in such a way as to keep Zanussi off-balance-sheet until profits are being shown. But the capital injection will add around SKr 800m of debt to an Electrolux balance sheet which is already showing net borrowings and total shareholders' capital roughly level at about SKr 8bn. And the interest on the new convertible loan

will, at close to 5 per cent, nothing like match the cost of funding it in lire.

Altogether, Electrolux may face additional financing costs of around SKr 75m next year, which it hopes to make up through various product swaps and partnerships with Zanussi. That looks an ambitious target but their ambition is the leit-motiv of this entire undertaking.

### Metal Box

A mere 46 per cent increase in pre-forma pre-tax profits, a prudent interim dividend and news of a chief in Nigeria was enough to push Metal Box shares, down 2p yesterday to 36p. Although the results for the half-year to September look up as the reader looks down, with earnings per share rising 23.7 per cent to 33.4p, the market seems to have decided that Metal Box's colourful recent past demands a certain caution about the future.

A first-half jump in trading profit in the UK of more than 50 per cent would scarcely be considered sustainable even without Metal Box's own unaffiliated earnings. Volume is steady overall, while further opportunities to reduce costs become harder to find as Metal Box's rigorous slimming cure hits home. The 23m half-year loss from Nigeria was an unpleasant shock, even if it hardly survives to the bottom line, and the group may be dreaming of shifting that great but troublesome nation off its balance-sheet as it did so successfully with South Africa last year. The profit contribution from there might not have looked so discouraging but for a missing 21m, carried away by the falling rand.

The market will probably stay agnostic about Metal Box's new PET plastic-can or aseptic package notions for the U.S. market until it has actually tested its American acquisition to support them.

Having pulled in £40m from the South African restructuring, and with its getting at optimal levels, Metal Box certainly has money to spend. Equally, a prospective multiple of 5 on estimated pre-tax profits of £5.70m for the year and similar tax experience is low for the sector - and dividend cover of 2.5-3 times gross would suggest a more generous final payout.

## Brussels seeks mandate for talks on steel exports to U.S.

By Paul Cheeseright in Brussels

THE EUROPEAN Commission will recommend to EEC industry ministers tomorrow that it should be given a mandate to negotiate with the U.S. a sales restraint agreement for steel pipes and tubes.

This emerged yesterday when a spokesman disclosed that Herr Wilhelm Haferkamp, and Viscount Etienne Davignon, respectively the commissioners for foreign affairs and industry, had met Mr William Brock, the U.S. Trade Representative, at the weekend.

Their exploratory discussion had reached a stage where more formal talks could be held if both the Reagan Administration and the EEC Council of Ministers agreed, the spokesman said.

The talks advanced far enough to forestal a move by the U.S. Customs to stop pipe and tube imports from November 20. The Commission said it had received assurances from the Reagan Administration that such administrative measures would not be taken. One vessel was apparently detained, however.

The Commission feels that an arrangement with the U.S. is preferable to the one with the U.S. is preferred.



Viscount Davignon

able to an outright trade dispute. The Reagan Administration has come under pressure from U.S. steelmakers to curb pipe and tube imports.

Viscount Davignon sees representatives of the EEC steel industry today to test reactions to a sales restraint agreement. Companies in West Germany and Italy are chiefly concerned, accounting for 35 and 30 per cent respectively of EEC exports to the U.S.

Pipe and tube exports to the U.S. were 1.078m tonnes in 1982 and are

estimated to be at the same level this year after a slump to 500,000 tonnes in 1983. They account for 14.9 per cent of the U.S. market.

Ministers are likely to want to give the tightest possible negotiating mandate to Viscount Davignon, meaning that the issue is unlikely to be settled tomorrow.

Mr Brock is believed to have told the EEC commissioners that the U.S. might be prepared to accept European companies having about 7.5 per cent of the market.

This does not necessarily relate to present market levels but is higher than the 5.9 per cent mentioned as a guideline in an exchange of letters during 1982 on a sales restraint agreement for carbon steel products.

The key problem for exporters is pinning down the level of sales which they might have in the U.S. before Viscount Davignon is given power to negotiate. Diplomats were making clear yesterday that there could be no question of the Commissioner going to Washington to play his own pack of cards.

## Greens quit alliance with SPD

By Rupert Cornwell in Bonn

THE FIRST "red-green" alliance to run a West German state collapsed yesterday as the Greens (environmentalist party) broke off their five-month-old agreement to back the minority Social Democrat (SPD) government in Hesse.

The decision, which could have far-reaching implications at the national level, stems from a bitter dispute between the two parties over the future of two plants producing and storing enriched uranium and plutonium at Hanau, near Frankfurt.

The Greens, much of whose steadily growing support reflects their fiercely environmentalist and anti-nuclear stance, had insisted that Herr Holger Börner, the SPD

chief minister of Hesse, veto plans to extend the Nukem plant where uranium is enriched and order the closure of the Alkem reprocessing facility.

Herr Börner refused on both counts. Last night he attacked the Greens' pull-out as a crude attempt at political blackmail, "which again raises the question of their political competence."

At a local level, the end of the alliance marks a return to the political deadlock created by successive state elections in September 1982 and September 1983.

On both occasions the Social Democrats emerged as the largest single party, but without an absolute majority. Until the deal with

the Greens last June, the SPD could only govern in a caretaker capacity.

In national terms, the events in Hesse must cast a shadow over the possibility of "red-green" co-operation in other Länder (states) facing elections in the next two years - and, conceivably, in Bonn after the general elections scheduled for February 1987.

SPD and Green officials last night maintained that Hesse was a special case which would have no impact elsewhere. The environment issue which proved crucial there, however, is potent throughout West Germany, and the breakdown loudly enhances the future general credibility of left-wing partnership in government.

## Laker decision caution

Continued from Page 1

der U.S. law be could claim triple damages.

It was pointed out in Whitehall yesterday that the U.S. President's move did not alter the issue at the core of the Anglo-U.S. civil aviation row - the differences between the two over interpreting the 1977 Bermuda Two air agreement covering all aspects of air transport between the UK and U.S. including fares.

Reginald Dale in Washington writes: President Reagan's decision was taken after he heard arguments from both the State Department and the Justice Department.

Justice Department officials said yesterday that the department had not been willing to close the investigation "of its own volition" and that they could not remember when a President had last overruled the de-

partment on a grand jury criminal investigation.

They added, however, that Mr Reagan's move was an "appropriate exercise" of presidential power, based on his constitutional position as chief law enforcement officer and overlord of the nation's foreign policy.

The State Department argued that foreign policy considerations were overriding, on the grounds both that Britain was an important ally and because the U.S. had to come to grips with the whole issue of the extra-territoriality of U.S. law as it affected other trading partners.

Mrs Margaret Thatcher, the British Prime Minister, was informed by the White House of the decision as soon as it was taken on Monday.

## Bonn hint on sea law

By Peter Bruce in Bonn

A LAST-MINUTE compromise which would allow West Germany effectively to take part in the United Nations Law of the Sea Convention, without actually having to sign it by the December 9 deadline, is being discussed in Bonn.

The debate about whether to sign the convention, and thereby consent to its controversial provisions on deep sea mining, has split the West German Cabinet and at least one of the governing coalition parties, the Free Democrats (FDP).

However, the office of the Chancellor, Herr Helmut Kohl, who has rejected pleas by Herr Hans-Dietrich Genscher, the Foreign Minister, to sign the convention, has begun to suggest that Bonn will allow itself to be taken into the convention through the offices of the EEC.

Under the convention's articles,

international organisations are allowed to sign it, provided a majority of members of the organisation agree. With Belgium having pledged that it would sign, most Community members will be signatories by December 9.

Bonn, it is understood, would be prepared to be outvoted in the Council of Ministers if the EEC decides to take part. West German officials also believe that Britain, which with the U.S. has openly refused to sign, might also not veto a Council of Ministers decision to join.

German opposition to the convention mirrors that of the UK and the U.S.: the fear is that, with the UN administering the convention, finance and deep sea mining technology could be unequally transferred to the developing world.

## World Weather

Place	Temp	Wind	Cloud	Pressure	Humidity	Wind	Temp	Wind	Cloud	Pressure	Humidity
Algeria	15	15	10	1015	100	Mild	12	12	10	1010	100
Athens	17	12	10	1015	100	Spill	17	10	10	1010	100
Bombay	21	20	10	1015	100	Spill	20	15	10	1010	100
Buenos Aires	18	15	10	1015	100	Spill	15	10	10	1010	100
Cairo	15	15	10	1015	100	Spill	15	10	10	1010	100
Calcutta	21	20	10	1015	100	Spill	20	15	10	1010	100
Canton	18	15	10	1015	100	Spill	18	15	10	1010	100
Cebu	21	20	10	1015	100	Spill	21	15	10	1010	100
Colombo	24	20	10	1015	100	Spill	24	15	10	1010	100
Copenhagen	5	15	10	1015	100	Spill	5	15	10	1010	100
Dacca	21	20	10	1015	100	Spill	21	15	10	1010	100
Delhi	21	20	10	1015	100	Spill	21	15	10	1010	100
Dublin	10	15	10	1015	100	Spill	10	15	10	1010	100
Hankow	15	15	10	1015	100	Spill	15	15	10	1010	100
Hong Kong	21	20	10	1015	100	Spill	21	15	10	1010	100
London	10	15	10	1015	100	Spill	10	15	10	1010	100
Lyons	10	15	10	1015	100	Spill	10	15	10	1010	100
Manila	21	20	10	1015	100	Spill	21	15	10	1010	100
Medan	21	20	10	1015	100	Spill	21	15	10	1010	100
Meikong	21	20	10	1015	100	Spill	21	15	10	1010	100
Mumbai	21	20	10	1015	100	Spill	21	15	10	1010	100
Nairobi	15	15	10	1015	100	Spill	15	15	10	1010	100
Peking	10	15	10	1015	100	Spill	10	15	10	1010	100
Rangoon	21	20	10	1015	100	Spill	21	15	10	1010	100
San Francisco	15	15	10	1015	100	Spill	15	15	10	1010	100
Singapore	21	20	10	1015	100	Spill	21	15	10	1010	100
Sourabaya	21	20	10	1015	100	Spill	21	15	10	1010	100
Tokyo	10	15	10	1015	100	Spill	10	15	10	1010	100
Yokohama	10	15	10	1015	100	Spill	10	15	10	1010	100

## U.S. growth slowdown

Continued from Page 1

DM 3 for the first time since the end of last month.

Foreign-exchange dealers said the dollar was buoyed by expectations that further falls in U.S. interest rates would be limited by the Administration's need to finance budget deficit.

The dollar closed in London at DM 3.0090, up 1.4 pence from Monday.

Sterling lost 1.1 cents to end the day at \$1.2300, but the sterling index, calculated before the close of trading, was unchanged at 70.

fall in UK interest rates after the decision by Barclays Bank to cut its base rate by ½ point to 9½ per cent on Monday.

The other leading clearing banks are thought to favour a ½ point cut. There was some speculation last night that the Bank might have cut its dealing rates today to cope with a forecast £200m shortage in the money markets.

The authorities seem content, however, to allow market pressure to build up further before sanctioning a fall, and some bankers believe any move might be delayed until early next week.

## Kodak aims on telecom

Continued from Page 1

sales of \$10.2bn, said Eastman Communications would begin marketing its services in 17 big metropolitan areas by the end of the year and expected "sizeable growth."

The move into telecommunications represents the latest attempt by Kodak to diversify its product base - so far with only limited success. Yesterday, some Wall Street analysts expressed reservations about the latest move and doubts about whether the new services would prove competitive.



Follow the Leader the quality scotch

ARTHUR BELL & SONS plc. ESTABLISHED 1825 AND STILL AN INDEPENDENT COMPANY



## SECTION II - INTERNATIONAL COMPANIES

## FINANCIAL TIMES

Wednesday November 21 1984

For business Cars and Vans Tel 0783 44122  
**COWIE**  
 CONTRACT HIRE LTD  
 A Cowie Group / Forward Trust Joint Venture Company

## Fed relaxes penalties on long-term lending

BY WILLIAM HALL IN NEW YORK

THE FEDERAL Reserve Board (Fed), the lender of last resort to the U.S. banking system, has relaxed the penalties it charges on long-term users of its facilities in a move which will help the troubled Continental Illinois restore its profitability.

In a little noticed move earlier this month, the Federal Reserve announced a "technical modification in its extended credit programme" which covers its lending to banks which have been facing financial difficulties. Normally, banks which borrow funds from the Fed on an

extended basis are charged the discount rate, currently 9 per cent, for the first 60 days. For the next 90 days a 1 percentage point surcharge is imposed and beyond 150 days a 2 percentage point surcharge.

Continental Illinois, which suffered a severe run on its deposits earlier this year has been borrowing heavily from the Fed since mid-May and under the old system would be paying 11 per cent for its borrowings. This is more than 150 basis points more than its competitors are paying for funds in the money markets.

To prevent banks such as Continental Illinois being unduly penalised, the Fed has modified its rules. The old rules apply for extended borrowings up to 150 days, but beyond that the Fed has introduced variable market-related rates. The Fed has not disclosed what these rates might be for Continental Illinois, which was borrowing \$4.9bn at the end of September, but it is believed to be in the range of 10 per cent to 11 per cent. According to reports, the Fed has indicated that the new rate will not drop below 10 per cent.

## U.S. bank 'must lift capital ratio'

BY OUR NEW YORK STAFF

UNION Planters Corporation, the fifth biggest bank in Tennessee, which lost \$14.9m in its third quarter and passed its dividend, has been ordered by U.S. bank regulators to increase its capital ratios by nearly a third before the end of next June.

The move comes less than a week after the regulators ordered Bank of America and First Chicago, two of the biggest U.S. banks, to increase their capital ratios substan-

tially. The new requirements are part of an official campaign to force an improvement in the capital ratios of banks facing a weak earnings performance.

Union Planters, which has assets of around \$2bn and has recently reshuffled its senior management team, said yesterday that it had reached an agreement with the Comptroller of the Currency and the Federal Reserve Bank of St Louis. This requires the new manage-

ment to implement revised plans and take other steps to improve profits and capital and more clearly identify longer-range operating strategies.

Under the agreement, Union Planters has to increase its primary capital ratio from the current level of 5 per cent to at least 6.5 per cent by June 30 1985. The bank is also prohibited from paying any dividends.

## American Can keeps Canadian stake

BY BERNARD SIMON IN TORONTO

AMERICAN CAN expects to make a small fourth-quarter gain on the sale of its wholly owned Canadian packaging unit to a newly formed company led by Onex Corporation, an investment group which includes several leading Canadian financial institutions.

American Can will retain a 20 per cent shareholding in the Canadian company as well as board representation.

The U.S.\$190m sale includes 13 plants manufacturing metal food

and beverage containers and plastic and laminated tubes. American Can Canada's annual sales are around \$250m, and the company employs 2,200 people.

Earlier this year, negotiations to sell the Canadian company to Vancouver-based First City Financial fell through.

According to industry analysts, American Can's market share in Canada has slipped in recent years, partly because of Continental Can's lead in two-piece aluminium cans.

Continental sold control of its Canadian subsidiary to a local group 18 months ago.

Onex's shareholders include Royal Bank, Toronto Dominion Bank, Imperial Life and the government-controlled Canada Development Corporation.

It is said that the purchase fits its strategy of taking controlling positions in businesses where strong management, new product development and advanced technology ensure future growth.

## Consortium buys Gulf Oil trading division

By Richard Johns in London

AN INDIAN private investment company and a predominantly Saudi-owned bank have joined forces with employees to buy out the bulk of Gulf Oil's trading interests in the wake of the takeover of the company earlier this year by another U.S. major, Standard Oil of California.

Gotco, the new company formed to take over the assets, has been formed by the Hinduja group, an international trading group of Indian origin. Alef Investment Corporation, an affiliate of the Paris-based Saudi European Bank, and a group of employees led by Mr Herb Goodman, president of Gulf Oil Trading, the division involved, F. Eberstadt, the investment bank which organised the buyout, is also taking an equity position in the new concern.

The parties involved declined to disclose the value of the deal, which includes Gulf's 51 per cent share in a joint venture in Taiwan with the Chinese Petroleum Corporation, and its lubricating oil plant there.

The operating profit of the trading division concerned was \$120m last year, according to Gulf Oil. The deal covers all the company's former trading activity apart from crude oil involved in its own downstream (refining and marketing) needs and its tanker business.

Gotco will have an exclusive agency to market Gulf lubricating oils outside the U.S., Canada and certain European countries (those not included in the Kuwait Petroleum Corporation's takeovers of the U.S. group's assets in the Benelux countries, Scandinavia and Italy).

Gotco will have the right to operate under the name of Gulf Oil Trading Company for a one-year transitional period.

## CBS buys Ziff-Davis magazine for \$362m

BY WILLIAM HALL IN NEW YORK

CBS, the U.S. broadcasting and publishing group, is buying Ziff-Davis's consumer magazine publishing operations for \$362.5m in cash. The deal covers a dozen of the most popular titles in U.S. consumer publishing, ranging from Popular Photography to Modern Bride.

Ziff Corporation, parent of Ziff-Davis, is owned by Mr William Ziff, aged 33, one of the wealthiest private publishers in the U.S. At the beginning of October, the company announced that it had put most of its magazines up for sale in a move which is being described as the largest auction of magazines in U.S. publishing history.

The CBS deal covers only Ziff-Davis consumer magazines. It also owns another dozen business publications, whose titles range from Meetings & Conventions to the World Aviation Directory.

It is understood that an announcement on the sale of these will be made shortly. The total proceeds from the sale of the consumer and business publications could top \$700m.

Mr Ziff is reported to want to sell the bulk of his empire for health reasons. He is regarded as one of the most astute publishers in the U.S. with an instinct for profitable magazine publishing opportunities.

The company is retaining its stable of computer magazines.

Mr Thomas H. Wyman, CBS chairman, said yesterday that the sale was a rare opportunity to acquire a "very successful, well-managed business and to meet our strategic goal of significant growth in consumer magazine publishing."

CBS's magazine division ranks second in average circulation and fifth in advertising revenues in the U.S.

Mr Ziff said yesterday that CBS "understands our business and provides our consumer magazines with a bappy home. Our goal is to help CBS build the best consumer magazine company in the world."

## Storage Technology chief steps down

By Paul Taylor in New York

MR JESSE AWEIDA has quit as chief executive of Storage Technology, the troubled Colorado-based computer equipment company which he founded and which filed for protection from its creditors under Chapter 11 of the U.S. bankruptcy code three weeks ago.

Mr Aweida, whose brother, Mr Naim Aweida, resigned as president earlier this month, said that he had asked the board to appoint a new chief executive, "in light of the changed environment necessitated by the corporation's filing under Chapter 11." He will remain chairman of the group.

Storage Technology said that it had appointed Mr Thomas Wands, a director of the company since 1979 and a retired senior executive from Sears Roebuck, to fill the president's post and to act as interim chief executive until a new permanent chief executive is found.

## Strong profits increase for Electrolux

By David Brown in Stockholm

ELECTROLUX of Sweden, which is to become Europe's largest manufacturer of home appliances through its acquisition of Zanussi of Italy, announced a sharp improvement in earnings for the nine months ending September.

Income after financial items rose 46 per cent to SKr 1.69bn (\$196m), with profitability in all business areas ahead. Sales for the first three quarters climbed 11 per cent (adjusted for the sale of units) to SKr 22.27bn.

The group repeated its earlier forecast that full year profits will climb from SKr 1.76bn to SKr 2.4bn.

## Tiger International plans to raise \$450m

BY WILLIAM HALL IN NEW YORK

TIGER International of the U.S., parent of the world's largest scheduled cargo airline, which defaulted on around half its debt early last year, is planning to raise about \$450m in debt and equity.

Tiger International's main subsidiary, Flying Tiger Line, has seen its profits recover sharply in recent months and has filed a registration statement with the U.S. Securities and Exchange Commission provid-

ing for a 450,000-unit offering of debt and equity securities.

The units will total \$450m principal amount of secured trust notes in Flying Tiger - which are expected to be sold at a discount - 7.5m shares of common stock in the company and warrants to purchase an additional 7.5m shares in the parent, Tiger International.

Paine Webber and Drexel Burnham will underwrite the offering.

## U.S. toy retailer improves

BY OUR FINANCIAL STAFF

TOYS "R" US, the major U.S. toy retailer, pushed its third quarter net earnings up from \$6.06m or 11 cents a share to \$10.3m or 18 cents on sales which advanced from \$220.7m to \$321.7m.

The improvement brought the nine-month earnings total to \$31.5m or 55 cents a share against \$18.5m

or 33 cents in the corresponding period last year. Sales for the nine months rose from \$618.4m to \$863m.

The company says it expects to open 40 to 45 new stores next year, entering the UK market for the first time and expanding its operations in Canada.

All these Notes have been sold. This announcement appears as a matter of record only.



## Crédit Foncier de France

US \$ 150,000,000 Floating Rate Notes due 1999  
 Exchangeable for  
 French Franc denominated 12 3/4% Bonds due 1991  
 Issue Price of the Notes: 101% of the principal amount

Notes and Bonds unconditionally guaranteed by  
**The Republic of France**

Crédit Commercial de France • Morgan Guaranty Ltd

BankAmerica Capital Markets Group • Bankers Trust International Limited

Banque Bruxelles Lambert S.A. • Banque Nationale de Paris

Banque Paribas • Baring Brothers &amp; Co., Limited

Berliner Handels- und Frankfurter Bank • Caisse des Dépôts et Consignations

County Bank Limited • Credit Suisse First Boston Limited

Dominion Securities Pitfield Limited • Goldman Sachs International Corp.

IBJ International Limited • Kidder, Peabody International Limited

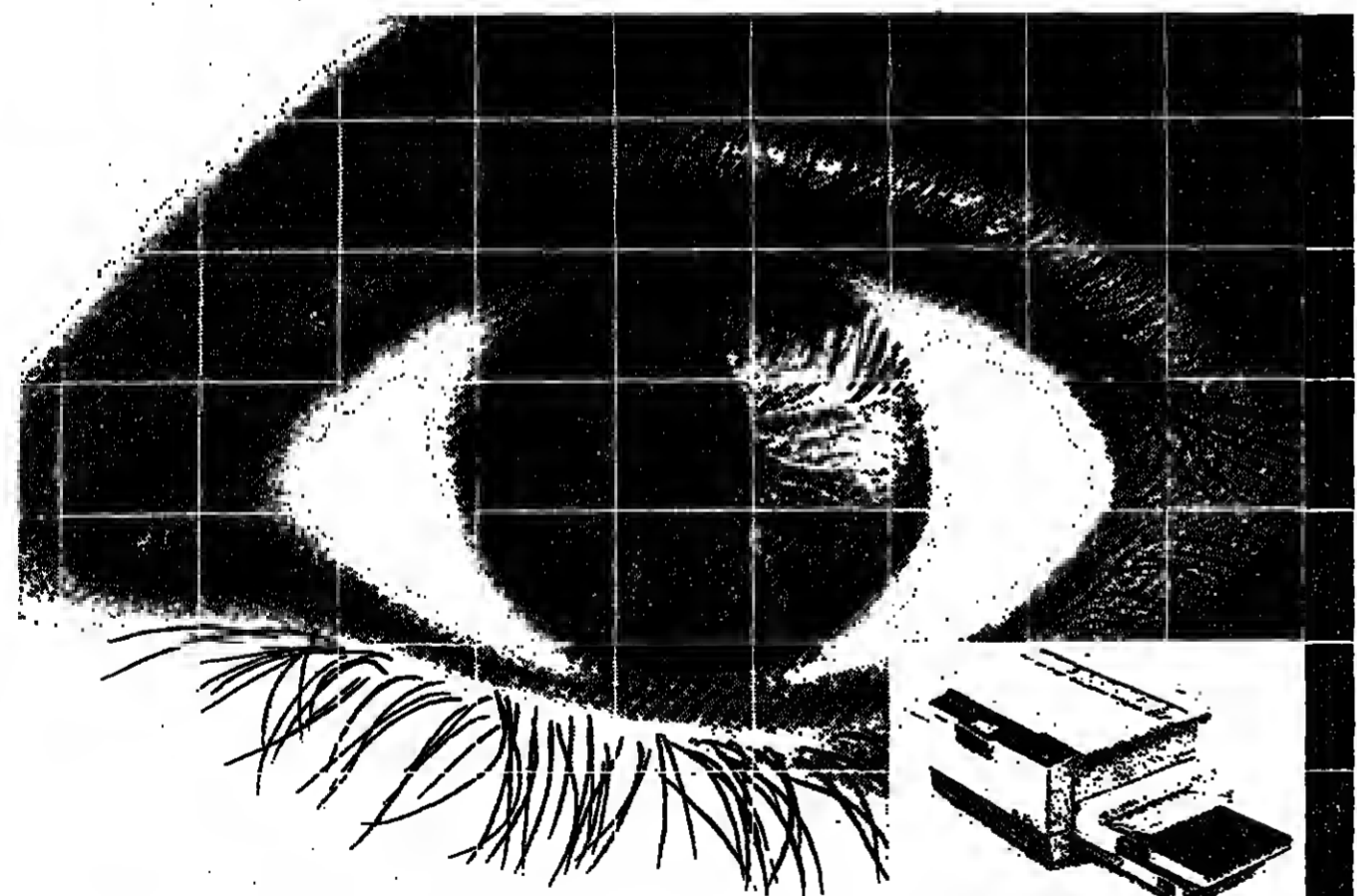
Kredietbank International Group • Lehman Brothers International

Morgan Stanley International • Nomura International Limited

Sumitomo Finance International • Union Bank of Switzerland (Securities) Limited

Westdeutsche Landesbank Girozentrale

New Issue • October 30, 1984



## Perfect exposure is automatic with a Toshiba copier.

Like the eye, Toshiba copiers react to light and shade automatically. Even under adverse conditions the Automatic Exposure System guarantees brilliant results.

Toshiba's TTL (Through-The-Lens) metering system automatically sets the copier exposure for perfect results the first time, every time, eliminating manual setting errors.

Take an original on a darker background, for instance. A Toshiba copier compensates for this trying adversity. And you get a copy on a background as white and pure as the driven snow. Not an unholy mess.

Which is reassuring to know if you ever have newsprint, photographs, originals of dubious quality, or dreaded darker backgrounds to deal with.

What's more Toshiba copiers give consistently good results. With a reliability that is envied by many, but matched by few.

We're not suggesting Toshiba are the only people in the world making copiers. What we do say is that Toshiba copiers are the best value for money.

One thing's for sure, their prices are no way near as advanced as their electronics. And whether you're a one-

man band, or a big band, there's a Toshiba copier to suit you. But seeing is believing - so send the coupon today.

Copier Reliability from advanced technology

**Lion**  
 To: Lion Office Equipment Ltd  
 International House  
 Windmill Road  
 Sunbury-on-Thames  
 MIDDLESEX TW8 7HR

Please ring me to arrange a demonstration   
 Please send me more details of the Toshiba range of copiers

NAME \_\_\_\_\_ Tick applicable  
 COMPANY \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 TEL. NO. \_\_\_\_\_

In Touch with Tomorrow  
**TOSHIBA**

INTL. COMPANIES & FINANCE

Paul Cheeseright on the careful timing of Soc. Generale and GBL Rights issues test Brussels Bourse

CAPITAL increases from the two biggest Belgian industrial and financial holding companies are about to test the strength of the Brussels Bourse.

But the rights issue from Societe Generale de Belgique and from Groupe Bruxelles Lambert come as the market has shown signs of edginess. Lately turnover has been lower and prices have slipped, partly under the influence of Wall Street and partly because of renewed political and economic uncertainty in Belgium.

Societe Generale yesterday offered one new share at BFr 1,550 for every five held to raise BFr 5bn (\$833m).

Last week GBL, seeking to raise BFr 6,370m, priced a one-for-four rights issue at BFr 1,825 a share.

Analysts noted that the market would have found it easier to absorb the issues had they been spaced more widely, yet both companies have plausibly calculated that they can benefit from an end-year movement of funds seeking tax deductions.

The so-called Monory law, named after the former finance minister who brought in a similar measure in France in 1978, is still operating and still contributing to the relative strength of the bourse.

It gives tax deductibility of

up to BFr 40,000 for investors in Belgian stocks or in six mutual funds designed to purchase Belgian equities. These funds are Fivest, BBL Fonds, Interselex Belga Fund, FS Fonds, Belfund and Hermes. In both 1982 and 1983 half the amount of money placed in these funds came in December.

This is likely to have a stronger impact on Societe Generale than on GBL. Institutional holdings account for only about 15 per cent of Societe Generale issued shares, so its capital increase is dependent on public good will. But for GBL there has already been an informal 60 per cent acceptance of its rights by the Belgian and international financial interests which dominate its shareholding structure.

This year the stocks of both companies have lagged behind the market. The index for the whole market has risen 13.2 per cent.

GBL has probably suffered from the progressive dilution of its shareholdings, although the directors have sought to sweeten the effect of what will be four rights issues in three years by paying higher dividends. Its market rise has been 8.7 per cent.

Societe Generale has been in-

involved in substantial restructuring, most notably by turning Union Miniere into a wholly-owned subsidiary. It has only recently announced its intention to go through a self-imposed limit of BFr 90 for dividends per share. Its market rise has been 8.5 per cent. Both shares have been looked at.

Societe Generale de Belgique does not have to face any further significant write-downs, Mr Rene Lamy, the governor, told shareholders at an extraordinary general meeting yesterday.

But it is having to make a further provision of BFr 300m for Sybeta, its industrial plant concerning nitric acid, which is having problems handing over a phosphate works to Iraq. Its part in the financial reconstruction of Arbed, the Luxembourg steelmaker, will cost it about BFr 1.6bn.

The general market price/earnings ratio is about 11, making Belgian stocks, with those of the Netherlands, the highest yielding in the world. The Societe Generale PE is roughly on a level with that of the market as a whole, but that of GBL is less

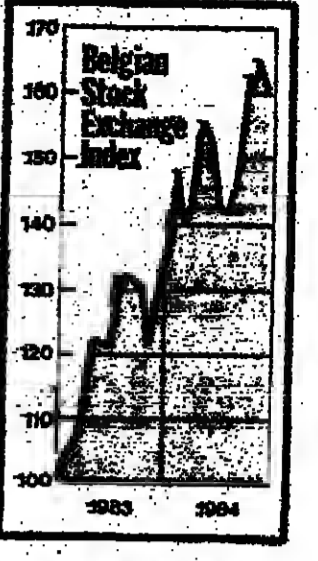
than 8.

In the case of Societe Generale, there is a colossal gap between its market value—BFr 1,785 yesterday—and its net asset value of BFr 3,154 a share at the time of the half-year figures.

The gap is less marked for GBL. In July, the net asset value per share was BFr 2,834. The shares closed yesterday at BFr 2,020.

At a time of high liquidity on the financial markets and tax-conscious investors looking for ways of exploiting the Monory law, both the rights issues offer some sort of a haven. But the mutual funds, which attract the greater part of the Monory money, cannot put more than 5 per cent of their assets into one company.

The future for buyers of the shares depends in part on whether the authorities can devise measures to keep investors interested in equities. The bourse started its rise in 1981 before Wall Street, in anticipation of and in response to both Monory and another measure which provided corporate tax incentives for capital raising and higher dividends. This was the Cooremans law, though it expired at the end of 1983.



The bourse itself is seeking to widen its appeal. It is starting next year a secondary market in smaller company stocks. And it plans a strictly controlled options market based on a Petrofina, which accounts for 25 per cent of bourse equity trading. Societe Generale, GBL, and among foreign stocks, Sulfonella, the South African gold miners; and Inco, the Canadian nickel miner.

But brokers believe that, in the light of lower forecasts for Belgium, company profits next year, the case is developing for greater concentration on bonds, a process bound to affect Societe Generale and GBL.

This announcement appears as a matter of record only



Societa Immobiliare e Finanziaria per Azioni

ECU 20,000,000  
Medium Term Loan

Arranged by  
Midland Bank International

Provided by  
Banco di Santo Spirito, London Branch

In association with  
Allied Irish Banks Limited  
Copenhagen Handelsbank A/S, London Branch  
Midland Bank plc

Agent  
Midland Bank plc

November 1984

State aid mooted for Dutch transmission maker

BY LAURA RAUN IN AMSTERDAM

VAN DOORNE Transmissie, the Dutch automatic transmission maker, jointly owned by Fiat, Volvo, Borg-Warner and the Dutch Government, seems likely to get financial help from the Dutch Economics Ministry in an effort to avoid bankruptcy.

Withdrawal of credit by Amsterdam-Rotterdam Bank three weeks ago, plus the state-owned investment bank's assumption of Van Doorne's patents, has resulted in one creditor applying for a court declaration of bankruptcy. The court has delayed its decision.

Van Doorne, which has absorbed Fl 150m (\$44.5m) investment since its inception in 1979, has developed a continuously variable automatic transmission noted for high fuel efficiency and reliability. While other motor groups have developed similar versions of the transmission, Van Doorne's product has been eagerly sought by

such major manufacturers as General Motors, Ford and Fuji.

Mr Gjs van Aardenne, the Minister of Economics, is to decide by Friday whether the Government will purchase the 24 per cent stake which Borg-Warner has previously said it wanted to sell. Borg-Warner, the U.S. maker of car components, has asked for Fl 30m for its stake, but has hinted that it would settle for as little as the Fl 15m it put in when the company was established in 1979.

The Dutch Government already owns 40.15 per cent of the Tilburg-based company as a result of its 12.5 per cent direct participation and 27.65 per cent through Volvo Car, an independent subsidiary of Volvo of Sweden, in which the Dutch Government owns 70 per cent. Another 24 per cent stake is held each by Fiat of Italy and by Borg-Warner, while the remaining 11.85 per cent is held by Volvo through Volvo Car.

European airlines see profits jump

By Michael Dome, Aerospace Correspondent

EUROPEAN airlines collectively are forecasting a net profit for 1984 of about \$690m, based on the results for the first nine months of this year.

This compares with profits of only \$100m last year, a period during which most airlines outside Europe incurred a collective loss of \$500m.

Mr Karl-Heinz Neumeister, secretary-general of the 20-member Association of European Airlines, said that profit margins nevertheless remained thin "and it would be premature to assume we have recouped all our losses from previous years."

He added "Couple with this the continued economic uncertainty in some key markets, and the business of accurate forecasting becomes extremely difficult."

ENI pipelaying unit's issue makes steady start

BY ALAN FRIEDMAN IN MILAN

THE largest new issue brought to the Milan bourse—a L124.5bn (\$67m) offer which privatizes 20 per cent of Salpeme, the oil and gas pipelaying group—got off to a respectable, though lukewarm, start yesterday. The 30m shares, offered at L4,150 per share, closed at L4,207.

The privatization of 20 per cent of Salpeme, which is part of ENI, the state energy group, has generated considerable excitement in recent months. The bulk of the shares was purchased by institutional investors, among which French institutions were the most prominent, followed by U.S., British and West German investors.

Only around 100,000 shares changed hands yesterday. Brokers in Milan suggested that the actual trading debut was

an anti-climax, because most institutions had decided to take a medium- to long-term view.

Under the new share structure, ENI retains 48 per cent of Salpeme, while two other ENI companies, AGIP and SNAM, each hold 16 per cent. The largest single new shareholder turned out to be the United Nations Joint Staff Pension Fund, which has bought 1.13 per cent of Salpeme.

Italy's state-controlled Banca Nazionale del Lavoro was the second largest taker of the new issue, followed by several other banks.

The issue price of L4,150 represented a premium of 11 per cent over the net asset value of Salpeme shares on a book basis. But a Salpeme official said the actual asset value of Salpeme shares was nearly double the new issue price.

Strong advance at Veba

BY PETER BRUCE IN BONN

VEBA, the West German diversified energy and industrial group, yesterday reported net profits of DM 325m (\$108.7m) for the first nine months of this year—a 45 per cent increase on 1983.

The company's performance so far will probably enable it to increase dividends above the DM 7.50 per DM 50 share paid last year.

The group, West Germany's biggest industrial concern, has, however, posted only a 3.4 per

cent rise in turnover.

The chemical division is expected to pay dividends to the parent this year. Electric power operations have risen by 7.3 per cent.

With the completion of a number of power and chemical projects last year, total investment for the first nine months of 1984 has fallen by DM 296m to DM 1.34bn. Veba is still engaged, however, in a DM 2.5bn programme to fit its power stations with environmental controls by 1988.

Record payout from Siemens

By John Davies in Frankfurt

SIEMENS, the West German electrical and computer company, is raising its dividend sharply to DM 10 per nominal DM 50 share—the highest it has paid since the Second World War.

With sales and earnings buoyant, it has decided to end a 12-year period of dividend stability, during which it paid DM 8 a share.

In an interim statement yesterday, Siemens said worldwide sales rose by 16 per cent to DM 45.8bn (\$15.3bn) in its year to September 30.

Sales abroad were up 5 per cent at DM 23.2bn, while sales in West Germany rose by 31 per cent to DM 22.6bn, boosted by the final settlement for two nuclear power plants.

Siemens has not yet disclosed its profits, but an executive said the company had a "good year."

At the nine-month stage to June 30, Siemens had earned net profit of DM 642m, 19 per cent ahead of a year earlier.

Siemens earned net profit of DM 802m in 1983-84 and distributed DM 351m in the form of dividends, most of the rest going into reserves.

NOTICE TO HOLDERS OF  
MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.  
(Matsushita Denki Sangyo Kabushiki Kaisha)  
6% Convertible Debentures  
Due November 20, 1985

Pursuant to Section 244 (1) of the Companies Act 1947 (as amended) and the provisions of the Memorandum and Articles of Association of the Company, notice is hereby given as follows:

1. Pursuant to the resolution of the Board of Directors of the Company adopted at the meeting held on October 15, 1984 a free distribution of shares will be effected on January 16, 1985 to the holders of record as at November 20, 1984 at the rate of 1 new share for each 10 shares held.

2. Accordingly, the conversion price of the Debentures has been adjusted effective on November 21, 1984. The conversion price in effect prior to such adjustment was Yen 448.20 per share of Common Stock and the adjusted conversion price is Yen 498.00 per share of Common Stock.

MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.  
By: The Bank of Tokyo Trust Company as Trustee

Dated: November 21, 1984

FIRST CHICAGO OVERSEAS FINANCE N.V.  
U.S. \$100,000,000 Guaranteed Floating Rate Subordinated Notes Due 1994

For the three months 21st November, 1984 to 21st February, 1985  
The notes will carry an interest rate of 10% per annum with a coupon amount of U.S.\$255.56. The relevant interest payment date will be 21st February, 1985.

Listed on the London Stock Exchange  
Bankers Trust Company  
Agent Bank

Record payout from Siemens

BY PETER BRUCE IN BONN

VEBA, the West German diversified energy and industrial group, yesterday reported net profits of DM 325m (\$108.7m) for the first nine months of this year—a 45 per cent increase on 1983.

The company's performance so far will probably enable it to increase dividends above the DM 7.50 per DM 50 share paid last year.

The group, West Germany's biggest industrial concern, has, however, posted only a 3.4 per

cent rise in turnover.

The chemical division is expected to pay dividends to the parent this year. Electric power operations have risen by 7.3 per cent.

With the completion of a number of power and chemical projects last year, total investment for the first nine months of 1984 has fallen by DM 296m to DM 1.34bn. Veba is still engaged, however, in a DM 2.5bn programme to fit its power stations with environmental controls by 1988.

Record payout from Siemens

By John Davies in Frankfurt

SIEMENS, the West German electrical and computer company, is raising its dividend sharply to DM 10 per nominal DM 50 share—the highest it has paid since the Second World War.

With sales and earnings buoyant, it has decided to end a 12-year period of dividend stability, during which it paid DM 8 a share.

In an interim statement yesterday, Siemens said worldwide sales rose by 16 per cent to DM 45.8bn (\$15.3bn) in its year to September 30.

Sales abroad were up 5 per cent at DM 23.2bn, while sales in West Germany rose by 31 per cent to DM 22.6bn, boosted by the final settlement for two nuclear power plants.

Siemens has not yet disclosed its profits, but an executive said the company had a "good year."

At the nine-month stage to June 30, Siemens had earned net profit of DM 642m, 19 per cent ahead of a year earlier.

Siemens earned net profit of DM 802m in 1983-84 and distributed DM 351m in the form of dividends, most of the rest going into reserves.

NEW ISSUE

These Notes having been sold, this announcement appears as a matter of record only.

EXXON CAPITAL CORPORATION

U.S. \$1,800,000,000

Zero Coupon Notes due November 15, 2004

Unconditionally Guaranteed by

EXXON CORPORATION

Merrill Lynch Capital Markets

Daiwa Europe Limited

Crédit Lyonnais

Dresdner Bank  
Aktiengesellschaft

E.F. Hutton & Company (London) Ltd.

Nomura International Limited

Westdeutsche Landesbank  
Girozentrale

Julius Baer International Limited

Banca del Gottardo

Banque Internationale à Luxembourg S.A.

DG BANK  
Deutsche Genossenschaftsbank

Norddeutsche Landesbank  
Girozentrale

November, 1984

**BANCO PINTO & SOTTO MAYOR**  
U.S. \$30,000,000  
Floating Rate Notes Due 1985

In accordance with the provisions of the above Notes, notice is hereby given that the rate of interest for the Interest Period from November 19, 1984 to May 20, 1985 has been established at 10 7/8% per annum. Interest due at the end of the Interest Period of US\$265.42 will be available upon surrender to any of the Paying Agents of Coupon No. 10.

Agents  
American Express  
International Banking Corporation

**THE EXPORT-IMPORT BANK OF KOREA**  
U.S. \$50,000,000  
Floating Rate Notes due 1994

In accordance with the provisions of the Notes notice is hereby given that for the six month Interest Period from November 21st, 1984 to May 21st, 1985 the Notes will carry an Interest Rate of 10.3125% per annum. The Coupon amount payable on Notes of U.S.\$10,000 will be \$518.49. U.S.\$100,000 will be \$5,184.90.

Agent Bank  
FIRST CHICAGO LIMITED

This announcement appears as a matter of record only.

Term Loan  
**ISKRA**  
Yugoslavia  
Financing for Eight Export Oriented Projects

Guaranteed by  
Ljubljanska Banka

DM 38,600,000  
Fixed Rate Funds  
Provided by  
International Finance Corporation

U.S. \$10,600,000  
Floating Rate Funds  
Arranged by  
International Finance Corporation Ljubljanska Banka

Provided through IFC Participations by  
Pittsburgh National Bank Deutsche Bank  
Creditanstalt-Bankverein Compagnie Financière Luxembourgeoise  
PKbanken International (Luxembourg) S.A. Anglo-Yugoslav (LDT) Limited  
Manufacturers Hanover Trust Company United Bank of Kuwait, Ltd.  
Adria Bank Aktiengesellschaft  
Wien

October, 1984

# Why sponsors of major projects retain The Morgan Bank as export-import finance advisor



Shown at one of Iceland's remote hydroelectric stations are, from left, David Wheeler of Morgan's London office; George Cashman, New York-based head of the bank's Multisource Export Finance group; and Ingvar Björnsson, senior engineer with Landsvirkjun.

Most of the world's major projects, from giant energy plants to mass transit systems, require large amounts of equipment, materials, and engineering and construction services from sources around the world.

Arranging for the best possible financing of these goods and services—which can come from competing sources—is vital to a project's success. That's where help from an experienced export-import financial advisor can make the difference.

The Morgan Bank has a long history of successfully negotiating financing for projects worldwide. Whether serving a government, government agency, or corporation, we deal knowledgeably with suppliers, their banks, and official export credit agencies so that sponsors will obtain the lowest interest rates, the longest repayment periods, and the best terms and conditions.

When a client retains Morgan's Multisource

Export Finance Group as financial advisor, here are some of the assignments we take on.

- We assist in the preparation of the financial section of the bid documents.
- We analyse all bids in all currencies and reduce them to a common currency for comparability.
- We use a proven computer model to calculate present values and internal rates of return relative to contract prices, interest rates, currency alternatives, grace periods, repayment periods, and fees.
- We help design and conduct a negotiated bid process.
- We advise on structuring currency swaps, interest rate swaps, long-dated forward exchange contracts, currency options, and delayed rate setting alternatives to minimise risk and reduce all-in borrowing costs.
- We help negotiate loan documentation to achieve simplicity and commonality when

there are lenders from different countries.

- We help implement the client's financial plan by setting up disbursement procedures, letters of credit, and money transfer arrangements so that all funds are received and disbursed in a timely fashion.

Landsvirkjun, Iceland's national power company, retained Morgan to advise on the electromechanical works of its \$120 million Blanda hydroelectric power project—with over 100 separate bidders. Others that have appointed us recently include an Asian country's mass transit system, a national airline in Europe, a multinational petroleum company, a U.S. city's transportation authority.

To discuss how we can help you on a major project, talk to the Morgan banker who calls on you, or George D. Cashman, Vice President, Multisource Export Finance, Morgan Guaranty Trust Company, 23 Wall Street, New York, NY 10015.

Member FDIC. Incorporated with limited liability in the U.S.A.

## The Morgan Bank

APPOINTMENTS

INTL. COMPANIES & FINANCE

Standard Chartered Bank posts

STANDARD CHARTERED BANK has made the following senior appointments, all effective from December 1:—Mr Gordon Jones, general manager, is promoted to senior general manager to assume responsibility for group credit policy on the retirement of Mr George Lovell. Mr John Richards, controller technical services division is promoted to deputy general manager. Mr Michael Brown, chief manager in Singapore, is promoted to the new post of area general manager in Singapore. In addition to Singapore, Mr Brown will also have responsibility for the bank's operations in Indonesia and Negara Brunei Darussalam. Mr Peter Cameron chief manager in Malaysia, is promoted to the new post of area general manager in Malaysia. In addition to Malaysia, Mr Cameron will also have responsibility for the bank's operations in Thailand.

CHRISTIE-TYLER. He was appointed managing director of HARTMANN AND BRAUN (UK), part of the Mannesmann Group. Mr Peter McNelly has been appointed to the joint posts of finance director and company secretary of the HUGLIN GROUP. He was finance director of Royal Worcester. Following the recent management buy-out at THOS. STOREY, Mr Ronald G. Hooker has joined the board and has been appointed chairman. He is chairman of Dubilier and of Henry Sykes, and an industrial adviser to Hambros Bank. RALPH M. PARSONS CO has appointed Mr Leonard J. Fierand as managing director. He succeeds Mr Marvin R. McClain, who has returned to the Parsons Corp., California-based parent company, for reassignment in the U.S. Mr Roger Wood has been appointed to the ICL (UK) board as its first director. He was director of ICL's UK south east region. Mr William George Hadfield has been appointed general manager and director designate of WAVIN INDUSTRIAL PRODUCTS. He was sales director for TSL Thermal Syndicate, where he was also joint managing director of the German subsidiary company. WYETH LABORATORIES (UK) has appointed Neil Appleton as managing director. Long associated with the Sterling Winthrop Group, Mr Appleton was until recently president of ethical operations and chairman of Winthrop Laboratories, Sterling Research Laboratories and Sterling Winthrop (Ireland).

Mr J. F. McLelland has retired as chairman of A. BROWNLEE. He joined Brownlee in 1938 and became chairman in 1950. Mr R. E. Jack, a non-executive director since 1974 has been appointed non-executive chairman. The functions of chief executive have devolved on Mr A. M. Nicol who continues to combine the offices of managing director and deputy chairman. Mr Michael Holmes, managing director of Good Relations Advertising, has been appointed to the board of GOOD RELATIONS GROUP. Mr Roy Gilmore Kerr has been promoted to the board of Good Relations Advertising. Mr Richard Willan has been appointed managing director of Mr Ray Blackwell has been

Marginal midterm fall at Kubota

By Our Financial Staff

KUBOTA, Japan's leading agricultural machinery manufacturer, suffered a 3.9 per cent fall in net profits to ¥8,440m (\$26.4m) in the six months to October 15. Earnings per share were ¥1.78 compared with ¥1.89 for the same period of 1983.

Sales rose by 2.2 per cent to ¥275.6bn and pre-tax profits were just 0.6 per cent higher at ¥12.83bn.

Kubota has maintained its interim dividend at ¥3.75 a share and plans to hold the total for this year.

The company said the drop in first-half net profits was due to a 1.3 per cent point increase in the corporate tax rate. Corporate and other taxes rose 3.6 per cent to ¥8,390bn in the period.

Exports fell by 12.7 per cent to ¥59.79bn in the half while domestic sales increased by 7.4 per cent to ¥215.5bn.

Sales rose in all product categories except pipes, which fell by 17.5 per cent to ¥69.47bn or 25 per cent of all sales due almost entirely to weak exports.

Agricultural and construction machinery sales rose by 10.7 per cent to ¥131.86bn and other machinery sales by 23.9 per cent to ¥34.11bn.

Kubota has raised its net profit forecast for the full year to ¥14bn from the ¥13bn forecast at the start of the year. The projected total would be a record for the company, and would represent a 7.7 per cent increase on 1983-84.

The company has lowered its sales forecast to ¥589bn, a 2.5 per cent increase on 1983-84, from the earlier forecast of ¥590bn, but has left its pre-tax profit projection at ¥27bn, a rise of 2.6 per cent.

MoF puts brokers' case to the Bank of England

BY JUREK MARTIN IN TOKYO

THE JAPANESE government appears to have assumed responsibility on behalf of the country's leading security houses in negotiating with the Bank of England to obtain UK banking licences.

In an interview yesterday, Mr Seisya Tabuchi, president of Nomura Securities' Japan's largest brokerage house, said that his company was no longer dealing directly with the Bank of England on this sensitive bilateral issue and that the Ministry of Finance (MoF) was, in effect, now acting on its behalf.

British officials here concurred with Mr Tabuchi, adding that in last month's negotiations in Tokyo between the two governments, the MoF had made clear its official interest in the cause of the Japanese brokers in London, just as the UK side had raised the stakes by declaring its interest in greater access in Tokyo for British financial institutions.

In very broad terms, these

requirements are that a foreign non-bank may obtain a UK deposit-taking licence only if it subjects itself to normal banking supervisory criteria in its home country. The snag for the Japanese securities houses is that in Japan brokers are banned from banking for the most part, and are thus subject to different regulatory criteria.

The MoF, according to some reports, is expecting that two Japanese brokers will get their UK licences shortly and two more not long afterwards. This, in the Japanese view, will be the British quid pro quo for the MoF's granting full branch status in Tokyo to three UK institutions, W. I. Carr, Kleinwort Benson, and S. G. Warburg.

But British officials deny that any such a bargain exists. They insist that the question of UK banking licences can only be considered under UK banking laws and practices.

Doubled interest hits profit at Premier

By Jim Jones in Johannesburg

PREMIER GROUP, South Africa's largest diversified food company, experienced increasingly difficult trading conditions in the six months ended September 30 1984 and its management is not optimistic of an early improvement.

The group's pre-tax profit fell from R53.6m to R36m having been adversely affected by a virtual doubling of its interest bill to R55.7m from R18.9m, and Premier intends to reduce its debt exposure. At the end of September medium- and long-term borrowings totalled R22.9m.

First-half turnover rose by 8.2 per cent to R1,170m (1983) from R1,080m in the corresponding period of 1983. Trading profits before dividend income and tax and interest payments rose by 11.9 per cent to R68.5m. In the year to March 31 turnover totalled R2,020m and the trading profit was R127.1m.

Continued weakness in consumer spending and high interest rates are expected to combine to reduce the current financial year's earnings below the 21.5 cents a share of last year. First-half earnings fell to 26.9 cents a share from 37.9 cents and an unchanged interim dividend of 32 cents has been declared.

Downturn at Argus Printing

By Our Johannesburg Correspondent

EARNINGS at Argus Printing and Publishing, the South African newspaper group which publishes the Star, the Argus, the Sunday Tribune, and the Sunday Star, for the six months ended September, fell to 42 cents a share from 76 cents.

First-half turnover, however, rose to R227.5m from R233m in the seven months to September 1983. This was largely due to the consolidation of printing company efforts—returns from which offset the lower revenues and operating profits of the group's newspaper interests.

First-half operating profits before interest and tax increased to R19.7m from R18.7m. In the thirteen months ended March 31 turnover was R502.8m and operating profit R54.9m.

The directors say that a sharp fall in advertising demand reduced newspaper revenues and they warn that this year's profits will be lower than last year's. The company is caught in a circulation and advertising war with South African Associated Newspapers (SAAN), its only English-language competitor.

A 1985 rights issue is planned to finance the acquisition of a 20 per cent interest in a company publishing commercial directories.

An unchanged interim dividend of 25 cents has been declared. In the last full financial period earnings were 1.21 cents a share and a dividend total of 375 cents was paid.

Austral Enterprises to expand

BY WONG SULONG IN KUALA LUMPUR

ISLAND AND PENINSULA, the major Malaysian property and plantation group, has announced a rationalisation scheme for Austral Enterprises, its listed subsidiary, that would turn it into a major plantation company.

Under the scheme, Austral will buy three estates more than doubling its plantations to 21,000 acres to 46,000 acres. The paid-up capital of Austral would also be increased from 17.5m ringgit (US\$7.3m) to 41.3m ringgit and net tangible assets from 27m ringgit to 112m ringgit.

The three acquisitions are the 5,700 acre Kok Foo estate from I and P itself, 17,000 acres in Pahang state from the

Pahang government, and a 2,600 acre estate in Gurun in Kedah state.

Austral will pay a total of 85m ringgit for the acquisitions to be met partly through the issue of 23.95m new shares valued at 3.2 ringgit each.

On completion of the exercise, I and P would own 58 per cent of Austral and the Pahang government will also be a substantial shareholder. Austral is the latest plantation company yet to undergo rationalisation and expansion. Other major plantation reconstruction exercises this year include Kuala Selim under Boustead Holdings and the recent deal between Kuala Lumpur Kepong and Permoda-

lan Nasional in which the latter gained control over Highlands and Lowlands, which has 72,000 acres of plantations, in exchange for a 30,000 acres plantation company for KLN.

Island and Peninsular and Fletcher Construction of New Zealand have agreed to form a joint venture company to undertake construction activities.

AP-DJ adds from Singapore. The new company to be 51 per cent owned by Island and Peninsular, is not expected to have much immediate impact on earnings but with an expected upturn in the Malaysian economy, it should enhance profitability in the medium term, Island and Peninsular said.

Japan announces rules for overseas CD issues

TOKYO — Japan's Ministry of Finance has announced rules for foreign banks abroad and for overseas branches and subsidiaries of Japanese banks to issue from December 1 Euroyen certificates of deposit (CDs) with maturities of up to six months.

Foreign banks outside Japan will have to obtain a ministry licence for their first Euroyen CD issue and this will remain valid for further issues.

Licences are required under the Japanese Foreign Exchange Control Act but will be granted automatically.

Overseas branches and subsidiaries of Japanese banks and securities houses will also have to apply to the ministry before issuing CDs and will also receive automatic approval. All Euroyen CD issues will also remain subject to approval by the authorities in the market where the issue is planned.

Unlike the domestic yen CD, the minimum denomination of which is ¥300m (\$1.23m), the minimum for each Euroyen CD will be in line with local limits, and each bank's total issue ceiling should conform to local standards, said ministry officials.

Neither Japanese banks nor branches of foreign banks in Japan will be allowed to issue Euroyen CDs domestically as the ministry prohibits Euroyen CDs from being sold in the Japanese market.

The issue of short-term Euroyen CDs is one of the Japanese commitments agreed in the U.S.-Japan yen/dollar talks last May.

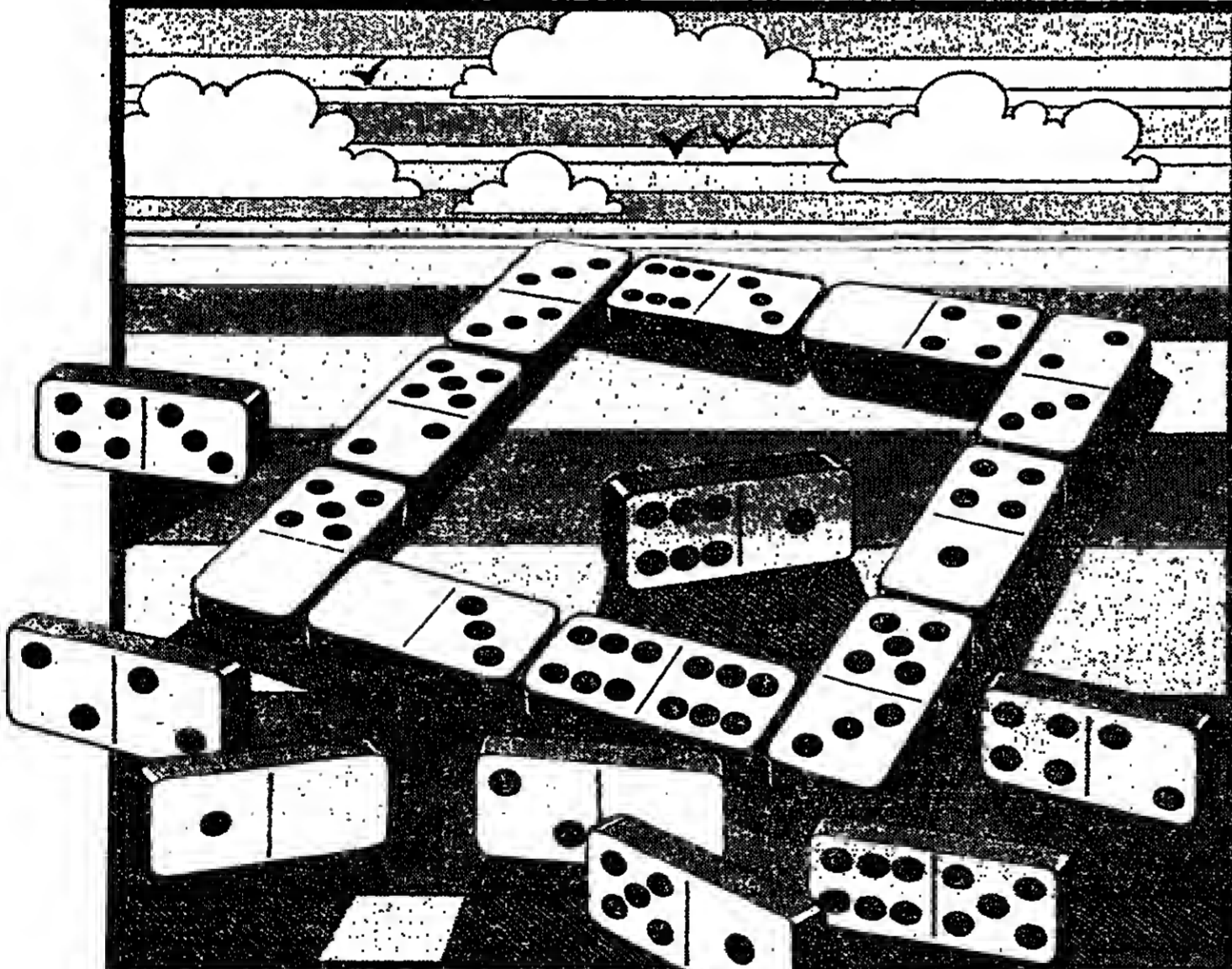
The balance of shares bought on credit in Japan increased for the fifth consecutive week last week due to brisk buying of stocks by individual investors against the backdrop of a steady recovery of the Japanese economy, the Tokyo Stock Exchange said.

Margin trading on Japan's three largest markets rose to ¥2,790bn (\$11.48bn), surpassing the record of ¥2,780bn registered in May.

Agencies

Spot-on advice for business growth in Austria?

Arrange the eight dominoes within the square so that the spots in every row and column total 18, and the two main diagonals together add up to 36.



No problem

Creditanstalt is the leading bank in one of Europe's most successful economies, Austria. We can help you with business contacts, finance and import/export services in a country that's prosperous and stable, offering great opportunities for foreign business: ● Wage/price restraint based on social partnership, ● Long-term political and economic stability, ● Long-standing harmony between management and work-force,

- Inflation and unemployment among the lowest in the world, ● Foreign investments arranged with speed and efficiency, ● Active Government encouragement of foreign business through investment loans, tax exemption and other incentives.

For our new booklet, 'Business in Austria': call Creditanstalt, London (01) 822 2600, or Vienna (0222) 6622-2510.

CREDITANSTALT

Austria's leading international bank

Creditanstalt-Bankverein, London Branch: 29 Gresham Street, London EC2V 7AH. Telephone: (01) 822 2600. Telex: 894612. Head Office: Schottengasse 6, A-1010 Vienna. Telephone: (0222) 6622-2510. Telex: 133030. New York Branch: 717 5th Avenue, New York NY 10022. Telephone: (212) 308 6400. Telex: 239895/424700.

NOTICE OF REDEMPTION

To the Holders of Grolier International, Inc. 3 1/4% Guaranteed Debentures Due December 15, 1986

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 3.05 of the Indenture dated as of December 15, 1971 between Grolier International, Inc. and Morgan Guaranty Trust Company of New York as Trustee, that United States Trust Company of New York as Successor Trustee, has drawn by random selection \$599,000 aggregate principal amount of the Grolier International, Inc. 3 1/4% Guaranteed Debentures Due December 15, 1986 for redemption by the Sinking Fund on December 15, 1984. The Debentures to be redeemed are as follows:

Table with columns for Denominations Called in Full, listing various bond numbers and amounts.

Accordingly, on December 15, 1984 the principal amount of the Debentures or portions thereof so designated for redemption will become due and payable at 100% of the principal amount thereof together with accrued interest to December 15, 1984 and must be presented at the office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, Attention: Corporate Trust Department, 15th Floor; the main office of Morgan Guaranty Trust Company of New York in Brussels, the main office of Morgan Guaranty Trust Company of New York and Counterbank Aktiengesellschaft in Frankfurt am Main, the main office of Morgan Guaranty Trust of New York in London, the main office of Morgan Guaranty Trust Company of New York and Credit Lyonnais in Paris, the main office of Morgan Guaranty Trust Company of New York in Zurich, the main office of Banca Morgan Vonwiller S.p.A. and Banco di Roma in Milan, the main office of Banca Morgan Vonwiller S.p.A. in Rome, the main office of Banca di Hope N.V. in Amsterdam, and the main office of Credit Lyonnais S.A. in Luxembourg for payment and redemption. From and after December 15, 1984, interest on the Debentures or portions thereof so to be redeemed will cease to accrue. Coupons maturing December 15, 1984 or prior thereto should be detached and presented for payment in the usual manner.

GROLIER INTERNATIONAL, INC. BY: UNITED STATES TRUST COMPANY OF NEW YORK, Successor Trustee

Commencing January 1, 1984 under the federal law, we will be required to withhold 30% of any gross payments to holders who present their Bonds for payment in New York, New York and fail to provide us with a certified taxpayer identifying number (responsible identification number or social security number, as appropriate) on or before the date of payment or on or before the date of the next payment. Payment Agent for redemption holders will also be subject to a penalty of \$50 for each failure. Please therefore provide a certified identification number when presenting your notes for redemption. Dated: November 15, 1984



# \$50,483,224,375 Treasury Receipts

TRs are receipts that represent the future interest and principal payments on underlying United States Treasury Bonds deposited with a custodian bank. These interest and principal payments are direct obligations of the United States of America.

- *Coupon TRs* represent ownership of semiannual interest payments.
- *Principal TRs* represent ownership of principal payments.
- *Callable TRs* represent ownership of principal payments due when the Treasuries are first callable along with the subsequent interest payments.

TRs are listed on the Luxembourg Stock Exchange.

*Since the introduction of TRs on January 11, 1984, the undersigned and others have originated a total face amount of \$50,483,224,375. We continue to originate TRs and make active secondary markets.*

**The First Boston Corporation    Goldman, Sachs & Co.    PaineWebber  
Incorporated**

**Bankers Trust Company    Morgan Stanley & Co.    Bear Stearns & Co.  
Incorporated**

**Dean Witter Reynolds Inc.    Drexel Burnham Lambert  
Incorporated**

**Belvedere Securities    Moseley, Hallgarten, Estabrook & Weeden Inc.**

UK COMPANY NEWS

Metal Box innovation tempts Coca-Cola

Metal Box is currently looking at a number of acquisitions both at home and abroad, and is preparing to test market a new plastic can which has attracted "very real interest" from Coca-Cola, the world's largest soft drinks company.

Mr Denis Allport, group chairman, unveiling higher interim profits said yesterday, "we are working hard on ways and means to expand our business."

Metal Box, he said, now had a much stronger balance sheet and had the capability of making "a non-incremental acquisition" within its own strength.

Group taxable profits for the six months to end-September 1984 rose from a pro-forma £30.3m to £31.7m, but Mr Allport warned that the scope for increasing levels of profitability in the second half of the year may be limited because of uncertainties in trading conditions in the UK.

"The economic outlook is uncertain," he said, and added that "growth prospects in this country are by no means buoyant." Also, he said, "we are very much related to consumer expenditure and it is difficult to see real buoyancy developing."

In the longer-term, however, the chairman said that there were opportunities for profit improvement arising from results of new product developments, continued capital expenditure, and rationalisation and reorganisation programmes.

In conjunction with PLM, the Swedish-based can maker, Metal Box is working on the polyethylene terephthalate (PET) plastic can which is putting up a pilot plant close in Atlanta, Georgia, in the U.S.

Coca-Cola, said Mr Allport, "is showing very real interest. There will be test marketing next year. This project," he added, "could be very big indeed."

He added that there were a number of other things, such as much smaller PET bottles, where the group felt it had "very significant developments," he commented that "there are many areas where plastic will take the place of glass."

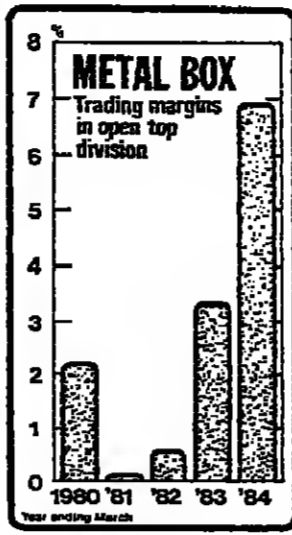
The company was also working on a "Lampac" laminated plastic container for food capable of being put in an oven and on plastic "cans" for food.

Shareholders will receive a higher interim dividend of 6.1p, against 5.51p, which is covered more than five-fold by stated earnings per share some 24 per cent higher at 33.4p compared with last year's pro-forma 27p. Reported earnings for the 1983 interim period were 25.4p.

Metal Box's results for the period under review take account of the restructuring of the ownership of its assets in South Africa effected during the second half of 1983-84. In order to facilitate a comparison, the company has included a set of pro-forma results. Reported taxable profits for the first half of 1983 were £34.5m.



Mr Denis Allport, chairman of Metal Box



As expected, the first half saw further improvements in Metal Box's earnings in the UK stemming from the group reorganisation and recent capital expenditure.

Operating efficiency "continued" to improve with the result that trading profits from UK packaging operations rose by £2.2m to £20.9m.

Within this operation, food

and beverage packaging listed its contribution from £9m to £13.6m, while the general packaging business recovered from an "unsatisfactory" £3.6m last year to £5.7m. Trading conditions for caps and closures remained difficult, although profits were better at £1.5m against £0.1m.

"Significant improvements" were achieved by the engineering division, which increased its

trading profits to £1.5m, and by Steirad, where profits rose from £3.6m to £4.4m.

Overseas, adverse trading conditions were experienced in Africa. The two Nigerian businesses together incurred a loss before tax of £3.0m compared with a profit of £4.6m.

The downturn was principally due to a shortage of orders for the glass company and of licences to import essential tinplate and other raw materials for the metal business. It is not practical at this stage to indicate the profit outlook in Nigeria, the directors state.

Group turnover, compared with the pro-forma figures, was virtually unchanged at £560.7m (1983 £561.2m). Making allowance for the inclusion in 1983 of an additional three months sales from U.S. operations, and excluding entirely the sales of the Nigerian companies which were "exceptionally depressed" this time, the remaining businesses showed a 9 per cent sales increase.

Operating profits amounted to £39.1m (£34.3m pro-forma).

Tax took £7m (£9m), leaving the net balance at £32.1m (£25.3m). Minorities added £0.6m (took £0.9m) and extraordinary debits totalled £7.7m (£14m) — the company says that there has been a continued requirement to reduce production capacity in some limited areas of activity in line with changed market demands.

See Lex

Akroyd falls £6.7m but Mercury holds steady

PROFITS BEFORE tax of stock jobber Akroyd & Smithers fell by £6.6m to £9.4m in the year to September 28 1984. Some £5m of the fall came in the second six months.

Mr B. K. Peplatt and Mr T. F. Jones, joint chairmen, say the results were very much in line with the estimate published in the documents relating to the proposed merger of Akroyd Mercury Securities Rowe & Pitman and Mullens & Co.

Trading in the current year to date has been satisfactory. Earnings for 1983-84 dropped from £19p to 26.4p per 25p share but a final dividend of 12.5p holds the net total at 18.9p on the enlarged capital.

Tax for the year was reduced from £7.6m to £5.7m and left net profits at £5.7m, compared with £8.35m.

In the merger documents, the directors of Mercury Securities, the parent company of merchant banker S. G. Warburg, estimated that the results of Mercury and its subsidiaries for the six months to end-September 1984 were level with those of the corresponding period of the previous year.

They announced yesterday, however, that group profits for the six months in September were ahead of those for the same period of the previous year.

The profits do not include the consolidated gain on the disposal of Mercury's wholly-owned subsidiary, MPA (Holdings), which amounted to some £10m after tax.

Mercury Securities, Akroyd, Rowe & Pitman (stockbroker) and Mullens & Co (Government broker) have agreed terms for a merger under which they would exchange their shares and interests for shares in a new holding company, Neveco (1984).

Acceptances of the offer for the fully paid and unrestricted shares of Mercury and the ordinary shares of Akroyd have been received in respect of over 90 per cent of Mercury's share capital and over 94 per cent of the shares in Akroyd bid for.

These Akroyd shares, together with the £5.2m which Neveco has agreed to acquire from Mercury, represent over 95 per cent of Akroyd's issued ordinary capital.

In due course arrangements will be made to acquire the outstanding shares in the two companies.

The offers remain subject to certain Takeover Panel conditions.

Readicut restores interim after sharp advance to £0.9m

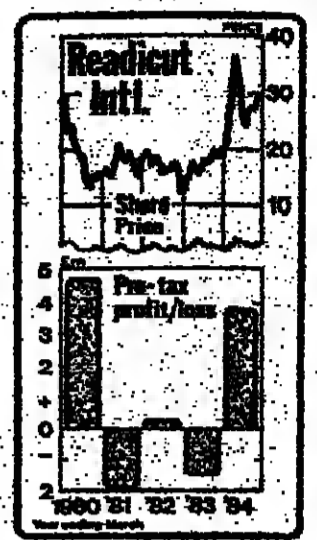
TAXABLE PROFITS of Resident International maker of specialist textile products, showed a substantial increase from a restated £498,000 to £903,000 in the half year to September 30 1984 and Professor Roland Smith, the chairman, says he has no reason to be less than confident about the outcome for the full year.

After a four-year absence, the interim dividend is being restored with a payment of 0.15p net—last year's single final was 1.2p on £3.77m pre-tax profits.

Turnover for the period was 7 per cent higher at £20.47m (£19.05m) and with continuing loss elimination and tighter control of expenses the trading surplus improved by 27 per cent to £1.78m (£1.4m).

Tax charge was £41,000 higher at £191,000 and extraordinary items took £126,000 (£153,000) leaving a net available of £586,000 against £198,000. The interim dividend absorbs £115,000 (nil).

Earnings per 5p share more than doubled from 0.48p to 0.95p. Comparisons have been restated to reflect the change in the treatment of exchange rate differences effected in the full year's accounts.



part of the whole group—the more important carpets and furnishing and textiles divisions both fell back, carpets because it cannot match an exceptional 1983 performance, and furnishings (which supplies the vehicle industry) because of strikes at major customers such as Austin Rover. However, the group's immediate and longer-term future rests squarely on these two divisions, given the decline in the fashion for rug-kit-making. For the year Readicut, which traditionally makes most of its profits in the second half, should make £4.5m pre-tax. This puts the shares, down 2 1/2p to 27p, on a p/e of just under seven, assuming a 30 per cent tax charge. They are fairly valued.

Electronics lift Diploma to £16m

THE SURGE at the electronic component division of Diploma has continued throughout the year ended September 30 1984, and has boosted the group pre-tax profit to £14.3m. This compares with £11.8m for the previous 12 months or with £9.4m on an annual basis. The final dividend is 7.5p to lift the total to 10p net, from 7.5p actual or 6p per annum.

Prospects for the current year remain good overall, the directors state. They do stress, however, that the electronic components side could show some slowdown after two years of very substantial growth; but believe over the next few years growth of demand for these components should outpace most industrial sectors.

The performance from electronic components was outstanding, with turnover at £57m and profits at £12m against annual rates of £34m and £5.5m respectively, and an actual profit of £6.8m for the previous period. Market conditions were "quite exceptional" with demand at near saturation levels during

most of the year, product was generally in short supply and forward planning in increasing stocks "paid off handsomely." Margins were unusually high and will not be repeated.

Although book to bill ratios within the industry are now said to be negative with cancellations and rescheduling taking place, the group's own overall figure for the past few months indicate parity and additionally it retains a strong order book.

The performance of Macro-Marketing "was superb." Its unique length and breadth of semi-conductor inventory brought a deluge of inquiries.

After tax £7.6m (£5.3m) and minorities £700,000 (£500,000), the net profit for the year came to £8m (£6m actual) for earnings of 30.5p (22.5p) per share. There are also extraordinary credits of £1.4m (£100,000) net of tax. It is proposed to subdivide the 10p shares into 5p shares.

price to 440p is a comment not on the company's reported performance but on its immediate prospects. The UK electronics industry is anxiously waiting to see if a cyclical decline in demand is already on the way, and, if it is, how severe it will be. And while the industry waits, the City's view of component suppliers in general — and of Diploma in particular — will inevitably be cautious. Diploma is more highly geared to the demand cycle than rivals like Farnell or Electrocomponents since a higher proportion of its products are in active electronic components. In this context the company's comments about slower growth have an immediate effect on the stock market. Assuming pre-tax profits in the current year of £18m-£20m, and a 42 per cent tax charge, the shares trade at a p/e of just over 10. They should not get much cheaper relative to the market, since the industry has probably learnt enough from the last boom/bust cycle to even out some of the impact this time around.

Life company raising £200m for mortgages

London and Manchester Group, a medium sized life company, has broken new ground in fund raising to finance its house mortgage lending.

The company is raising a £200m syndicated loan payable over seven years from around two dozen banks and finance houses headed by merchant bankers, Samuel Montagu.

The interest rate is a floating one of 2 per cent over six month inter-bank rate, a current cost of about 10 1/2 per cent.

Life companies are becoming increasingly involved in the mortgage market as direct providers of funds. It is a major source of new life business for them using an endowment contract to repay the mortgage as a condition of the loan.

However, very few use their own life funds as a source of mortgage finance. Not only is the yield lower than on gilts, but banking institutions seem only too willing to make money available for house mortgage pur-

poses, using the life company sales structure as the marketing outlet.

L & M has some £50m already in house mortgages from previous funding arrangements, besides a modest residue from the time when it lent its own money — a practice coded two years ago.

Although L & M, unlike many other life companies, is still doing a good level of business from building society connections, it feels that the house mortgage market is expanding at such a rapid pace that sophisticated financial arrangements are necessary to keep up with the development.

The existing £50m will be refinanced from the new loan, with the remaining money being used for new mortgages. Existing borrowers will not be directly affected by the refinancing. L & M charges a variable rate, currently 13 per cent. But this is due for revision in the light of the new loan arrangements.

comment

Readicut International has stopped publishing a divisional breakdown with its interim figures, following the arrival of the new chairman Professor Roland Smith. But it is clear that the biggest contribution to the improvement comes from loss reductions at the group's rug-kit business and in yards and fibres. These are, however, now a small

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total of year	Total year
Akroyd & Smithers	12.5p	Feb 8	12.5	18.5	16.5
A. F. Bulgin	0.58	Dec 17	0.58	—	1.35
Chapman Inds	3.3	Jan 25	2.2	—	8
Diploma	7.5	Jan 10	8	10	7.51
Edwards & Kelly	4.4	—	7	9.4	12
Gartmore Amer Sees	0.8	—	0.6	—	2
H.A.T. Group	1.8	Feb 27	1.68	—	3.3
C. E. Heath	6	Jan 3	5.25	—	17
Marlborough Prop	0.2	Dec 21	0.2	—	0.5
Metal Box	6.1	Jan 14	5.21	—	16
New Court Trust	10.13	—	9.63	14.25	13.75
N. American Trust	4.6	—	4	6	5.4
Readicut Intl	0.15	Jan 4	nil	—	1.2
SPRAT	3	Dec 31	—	—	—
Young's Brewery	0.3	Dec 7	2.5	—	5.5

This announcement appears as a matter of record only. August 3, 1984

**EDF**  
**ÉLECTRICITÉ DE FRANCE**  
 U.S. \$ 1,000,000,000  
 MULTICURRENCY FACILITY 1984-1994  
 Unconditionally guaranteed by  
**The Republic of France**

Arranged by  
**BANQUE NATIONALE DE PARIS**  
**IBJ INTERNATIONAL LIMITED**

CITICORP CAPITAL MARKETS GROUP  
**LYODS BANK INTERNATIONAL LIMITED**

Lead managed by  
**DEUTSCHE BANK**  
**COMPAGNIE FINANCIERE LUXEMBOURG**

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

<b>ALGEMENE BANK NEDERLAND NV</b> BANK OF IRELAND BANQUE BELGE LIMITEE — COMPAGNIE LUXEMBOURGEOISE DE LA DRESNER BANK AG, DRESNER BANK INTERNATIONAL	<b>ALLIED IRISH BANKS LIMITED</b> BANK OF MONTREAL BANQUE INDOUSUEZ CREDIT AGRICOLE	<b>ARAB BANKING CORPORATION (ABC)</b> THE BANK OF N.D.V.A. SCOTIA GROUP CIBC LIMITED CREDIT LYONNAIS
<b>CREDIT SUISSE</b> FIRST CHICAGO LIMITED	<b>THE DAI-ICHI KANGYO BANK, LIMITED</b> THE FUJI BANK, LIMITED PARIS BRANCH	<b>THE DAIWA BANK, LIMITED</b> KANSAI-OSAKA-PANIKKI
<b>THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED</b>	<b>MANUFACTURERS HANOVER LIMITED</b>	<b>MARINE MIDLAND BANK, N.A.</b> MERCHANT BANKING GROUP
<b>THE MITSUBISHI BANK, LIMITED</b> NATIONAL WESTMINSTER BANK GROUP SANWA BANK MERCHANT BANKING GROUP	<b>THE MITSUBISHI TRUST &amp; BANKING CORPORATION</b> THE NIPPON CREDIT BANK, LTD. SECURITY PACIFIC BANK ASIA LIMITED, SINGAPORE	<b>NATIONAL BANK OF CANADA</b> POSTIPANIKKI SOCIETE GENERALE
<b>THE SUMITOMO TRUST &amp; BANKING COMPANY, LIMITED.</b> WESTDEUTSCHE LANDESBANK GIROZENTRALE	<b>TORONTO DOMINION (UNITED KINGDOM) LIMITED</b>	<b>UNION BANK OF FINLAND LTD.</b> WESTPAC BANKING CORPORATION

Managed by  
**B.A.C. - C.O.B. SAVINGS BANK**  
**CAISSE CENTRALE DES BANQUES POPULAIRES**  
**GENOSSENSCHAFTLICHE ZENTRALBANK AG, VIENNA**  
**NATIONAL BANK OF ABU DHABI**

**BANCO DI NAPOLI INTERNAZIONALE S.A.**  
**CONTINENTAL BANK OF CANADA**  
**GOTABANKEN (LUXEMBOURG) S.A.**

**BANQUE BRUXELLES LAMBERT S.A.**  
**CREDIT DU NORD**  
**THE MITSUI BANK LIMITED**  
**THE TOKAI BANK, LIMITED**

Provided by  
**Banque Nationale de Paris**  
**Deutsche Bank**  
**Compagnie Financiere Luxembourg**  
**Arab Banking Corporation (ABC)**  
**The Bank of New South Wales Limited**  
**Banque Indosuez**  
**Credit Lyonnais**  
**The First National Bank of Chicago**  
**The Long-Term Credit Bank of Japan, Limited**  
**The Mitsubishi Bank, Limited**  
**Postipankki**  
**The Sumitomo Trust & Banking Company, Limited**  
**Westpac Banking Corporation**  
**Caixa Central de Banques Populares**  
**Gotabanken (Luxembourg) S.A.**  
**Banco di San Spirito, London Branch**  
**The Bank of New York**  
**Cassa di Risparmio delle Provincie Lombarde (London Branch)**  
**Copenhagen Handelsbank A/S London Branch**  
**The Mitsui Trust & Banking Company Limited, London**  
**F. Van Lanschot (Jersey) Limited**

**Citibank, N.A.**  
**The Industrial Bank of Japan Limited Paris Branch**  
**Morgan Guaranty Trust Company of New York**  
**Algemene Bank Nederland NV**  
**Bank of Ireland**  
**Bank of Montreal**  
**Banque Belge Limitee**  
**Compagnie Luxembourgeoise de la Dresner Bank AG,**  
**Dresner Bank International**  
**The Dai-ichi Kangyo Bank, Limited**  
**The Daiwa Bank, Limited**  
**International Westminster Bank Plc.**  
**Furo Bank**  
**Manufacturers Hanover Banque Nordique**  
**National Bank of Canada**  
**Securities Pacific Bank Asia Limited, Singapore**  
**Toronto Dominion (United Kingdom) Limited**  
**Banco di Napoli International S.A.**  
**Credit du Nord**  
**Genossenschaftliche Zentralbank AG, Vienna**  
**The National Bank of Abu Dhabi**  
**Bank fur Arbeit und Wirtschaft Aktiengesellschaft**  
**Banque Norddeutsche S.A.**  
**The Chuo Trust and Banking Company Limited**  
**Forretningsbanken**  
**Malayan Banking Berhad**  
**The Rural and Industries Bank of Western Australia**  
**The Tokyo Trust and Banking Company, Limited**  
**The Yasuda Trust and Banking Company Limited**

Agent  
**Citicorp International Bank Limited**

**C.E. Heath Public Limited Company**  
**INTERIM REPORT 1984-85**

Unaudited results on the historical cost basis for the six months to 30 September 1984

COMPARATIVE RESULTS	Six months to 30 September 1984	1983	Year to 31 March 1984
	£'000	£'000	£'000
<b>Net Brokerage income</b>	<b>6,195</b>	<b>4,865</b>	<b>10,464</b>
<b>Net Underwriting income</b>	<b>7,060</b>	<b>3,861</b>	<b>11,582</b>
<b>Operating profit</b>	<b>13,697</b>	<b>9,303</b>	<b>19,141</b>
<b>Net profit attributable</b>	<b>8,321</b>	<b>5,354</b>	<b>11,485</b>
<b>Earnings per share</b>	<b>26.6p</b>	<b>17.2p</b>	<b>36.9p</b>
<b>Dividend per share (net)</b>	<b>6.0p</b>	<b>5.25p</b>	<b>17.0p</b>

■ Total group profit before tax and minorities was £13,697,000, an increase of 47.2% over the comparative figure for 1983/84. Earnings per share rose 54.7% to 26.6p and an interim dividend of 6.0p per share (1983 — 5.25p) will be paid on 3 January 1985 to shareholders on the register at the close of business on 6 December 1984.

■ Insurance broking income was £16,186,000 compared with £14,206,000, a growth rate of 13.9%. Both our UK and Australian operations have made an increased contribution.

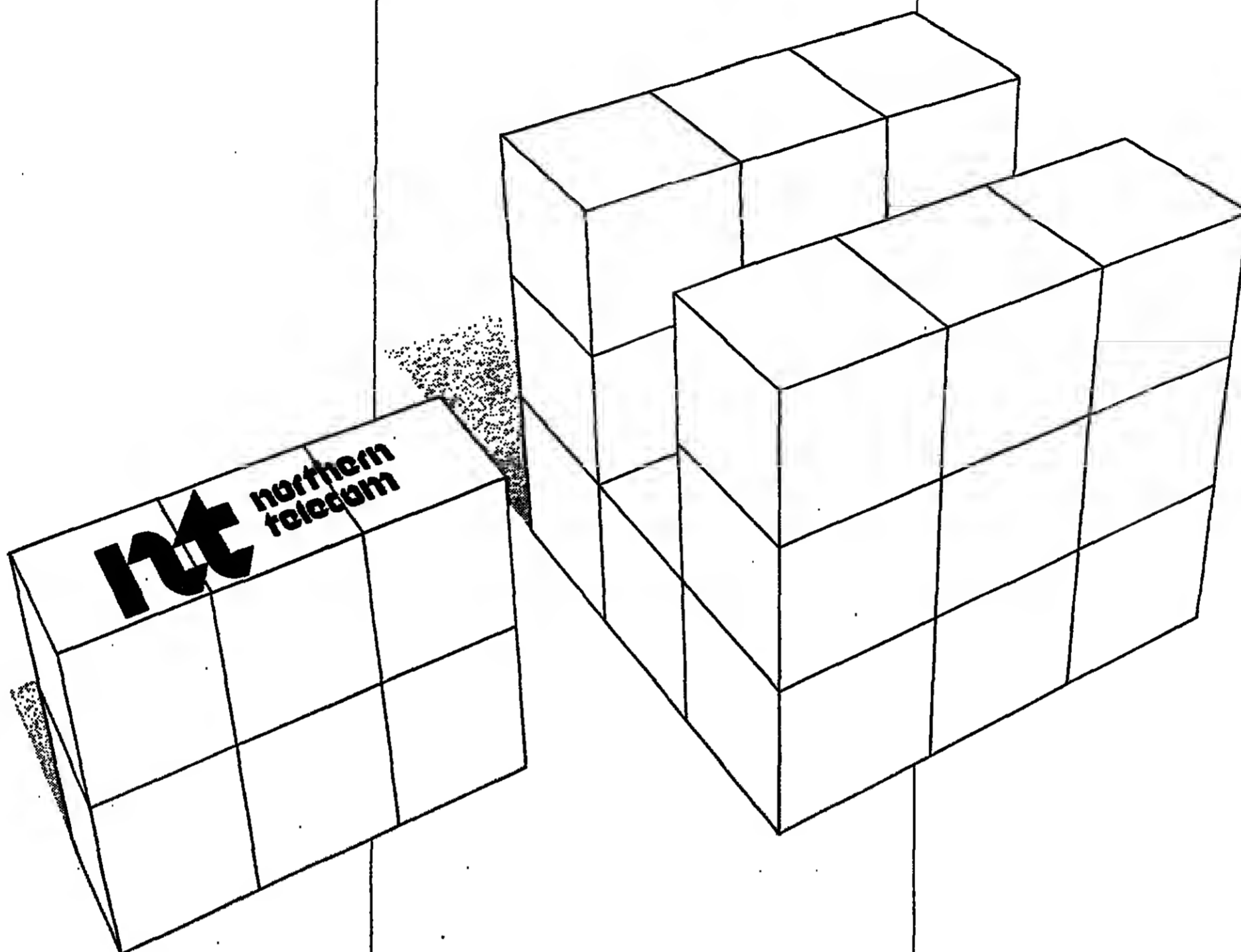
■ Further good progress has been made on the underwriting side. A major factor is improved investment income and interest. Both our Australian underwriting operation and Pinnacle Reinsurance Company in Bermuda have reported substantially increased half-year profits.

D. H. NEWTON, Chairman

Copies of the full Interim Report are available from the Secretary, C.E. Heath Public Limited Company, Cuthbert Heath House, 150 Minorities, London EC3N 1NR. Telephone: 01-488 2488

**INTERNATIONAL INSURANCE BROKERS REINSURANCE BROKERS AND UNDERWRITING AGENTS**

# NORTHERN TELECOM. BUILDING THE TELECOMMUNICATIONS FUTURE.



In 1976, Northern Telecom announced the Digital World,\* changing the course of world telecommunications development. It committed the corporation to being the first to produce a complete family of fully digital switching and transmission systems.

Digital World made obsolete the analogue telecommunications equipment being produced by other manufacturers. In time, and in turn, they followed the Northern Telecom lead. And, they are still following.

Digital World revolutionized the concepts and practices of communications and information management and accelerated the merging of the telecommunications, computer, and data-processing industries. It made possible the future of effective information-management.

#### WORLD LEADERSHIP IN DIGITAL TECHNOLOGY

Northern Telecom today is the world's largest manufacturer of fully digital systems and services. It has in service, or on order, the equivalent of nearly 18 million lines of fully digital switching and transmission systems—more than any other company. Northern Telecom is a leader in the development and manufacture of computers and custom large-scale integrated circuits for telecommunications.

It has one of the most proven records in the development of successful and innovative telecommunications software.

#### UNMATCHED GLOBAL SUCCESS

In the United States, the world's largest and most competitive national market, Northern Telecom's DMS\* (Digital Multiplex Systems) Family of digital

central office switches has been sold to, or is in service with all 22 of the U.S. Bell operating companies and all other major telephone companies.

Northern Telecom is the largest supplier of digital telecommunications systems to the U.S. military. It is a principal source of such equipment for the U.S. specialized and resale common carriers, governments, private corporations, and major institutions, such as universities and hospitals.

It was the first telecommunications equipment manufacturer to introduce integrated voice and data capability with its family of SL\* digital PBXs. The SL Family ranges from 30 lines to 30,000 lines and includes the largest digital PBX available. The SL PBXs are in use in 46 countries.

Financial and telecommunications organisations around the world are using the Northern Telecom SL-10 data packet switch. The U.S. Federal Reserve System handles fund transfers of more than US\$100 trillion a year on its 14-node SL-10 system. SL-10 is used by the West German Bundespost, and in the United Kingdom, Canada, the U.S., Hong Kong, Switzerland, Portugal, Belgium, Austria, and the Republic of Ireland.

In the data-processing field, Northern Telecom systems are in use in North America and throughout Europe. More than 4,000 systems, worth £85 million, have been exported from England to Europe during the last 6 years. The Displayphone\* terminal was the world's first combination telephone and computer terminal.

#### COMMITMENT TO RESEARCH AND DEVELOPMENT

Northern Telecom's technological and market leadership is based on a long-term commitment to

market-driven research and development, which has already produced a decade of telecommunications firsts. Northern Telecom is presently investing nearly 10 percent of total worldwide revenues in R&D each year.

A major portion of future R&D expenditures will be devoted to products and systems for the OPEN World\* programme announced in 1982. An acronym for Open Protocol Enhanced Networks, OPEN World is the company's mandate to bring order out of information-management chaos.

As one element of the OPEN World, Northern Telecom is making available to other manufacturers of data-processing and computing equipment the proprietary protocols to its switching systems. This will permit a great variety of information management equipment and products to work together in a single system.

Northern Telecom's 44,000 employees are based throughout the world in sales and services offices, 39 research and development centres, and 46 manufacturing plants.

With them, and through them, Northern Telecom continues to lead the industry and build the global telecommunications systems of the future.

For more information on Northern Telecom and its products contact: Northern Telecom plc, Berkeley Square House, Berkeley Square, London W1X 5LE. Telephone: 01-491 4599.



\*Trademark of Northern Telecom Limited

**THE LARGEST SUPPLIER OF FULLY DIGITAL SYSTEMS IN THE WORLD.**

# MEDMINSTER PLC

## Activities of the Group:

Furniture hire to conferences, exhibitions, films, photographic studios, television and theatres. North Atlantic groupage, freight forwarding services worldwide and ships management.

Results in brief	Year to June	
	1984	1983
Turnover	13.4m	10.6m
Profit before tax	492,000	398,000
Profit after tax	390,000	207,000
Earnings per share	19.52p	10.36p
Dividend per share	4.85p	4.40p

'The furniture hire companies have started the year in excellent shape as anticipated and, although the shipping division suffered a minor hiccup through the two dock strikes, we expect another good year from the Group as a whole.'

John Delaney, Chairman

127 Whitehall Court, London SW1

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange

### ABERFOYLE HOLDINGS P.L.C.

(Registered in England No 295252)

#### Share Capital

Present	Proposed	Issued
£3,200,000	£3,500,000	£2,636,607
		In Ordinary Shares of 8p each

Application has been made to the Council of the Stock Exchange for £1,000,000 8% Convertible Unsecured Loan Stock 1985 (the 'Stock') to be admitted to the Official List. The issue and placing of the Stock is conditional upon the approval of shareholders in a general meeting to be held on 23rd November 1984...

#### Hoare Govett Ltd.

Heron House, 319/325 High Holborn, London WC1V 7PB.

21st November 1984

# Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

27/28 Lovat Lane London EC3R 9EB Telephone 01-421 1212

#### Over-the-Counter Market

1983-84	Company	Price	Change	Close	Yield	P/E	Fully
High	120 Ass. Brit. Ind. Ord.	135		8.3	4.5	7.9	10.3
Low	117 Ass. Brit. Ind. Ord.	144		10.0	8.9		
	62 Alisprang Group	62		8.4	12.3	4.7	8.9
	42 Armitage & Rhodes	41		2.9	7.0	8.1	8.5
	122 Bardol, Int	124		3.4	2.7	12.5	20.8
	42 Bray Technologies	44		3.5	8.0	5.1	7.3
	201 CCL Ordinary	174		12.0	8.9		
	117 CCL 11pc Conv.	118		15.7	7.7		
	770 Carbonium Ord.	770		5.7	0.7		
	84 Carbonyl 7 1/2pc Pl.	84		10.7	12.8		
	249 Clidion Group	249		3.6	4.6	8.3	10.8
	74 Debarah Services	69		6.5	9.4	8.6	10.5
	240 Frank Horsell	240		3.6	4.6	9.5	12.8
	205 Frelco Holdings	205		3.6	4.6	8.3	10.8
	62 Frederick Parker	27		4.3	18.0		
	46 George Blair	46		2.7	—	3.1	8.2
	80 Ind. Precision	115		7.7	7.7	8.8	10.4
	124 Isle Group	200		15.0	7.5	7.9	14.4
	218 Jockson Group	109		4.9	4.5	5.0	9.8
	277 Jockson Holdings	277		13.7	4.9	9.8	9.8
	50 James Burroughs	53		12.9	13.9		
	147 Languages Int.	139		15.0	15.0		
	100 Langford	100		5.7	17.2	17.4	4.0
	490 275 Minihouse Holding NV	490		3.8	0.8	36.3	38.5
	176 31 Robert Jenkins	31		5.0	15.1		
	74 Scrivens "A"	87		8.7	17.2	17.4	4.0
	120 61 Torbay & Carlisle	87		—	—	3.3	13.8
	444 375 Trevian Holdings	375		4.3	1.1	21.3	20.9
	17 Juncos Holdings	23		1.3	5.7	11.2	18.1
	62 Weller Alexander	86		7.5	8.7	5.5	10.4
	276 W. S. Vestas	228		17.4	7.7	5.4	10.8

Prices and details of services now available on Prestal, page 48146

# AZIENDA AUTONOMA DELLE FERROVIE DELLO STATO

Floating Rate Notes 1988 and 15 per cent Bonds 1991 and 15 per cent Bonds 1991

#### NOTICE OF EARLY REDEMPTION

On behalf of the Issuer, S.G. Warburg & Co. Ltd. hereby gives notice to the holders of the above-mentioned Notes and Bonds of the Issuer's election in accordance with Condition 4 of the Notes and Condition 4 of the Bonds that all Notes and Bonds outstanding on 24th December, 1984 will be redeemed on that date.

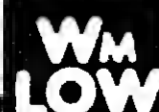
The Notes will be redeemed at par and the Bonds will be redeemed at 103 1/2 per cent. of the principal amount thereof.

Interest will cease to accrue on all outstanding Notes and Bonds on 24th December, 1984.

#### S.G. Warburg & Co. Ltd.

Principal Paying and Conversion Agent

21st November, 1984



# Wm Low & Company PLC

Summary of results for the 52 weeks ended 1 September 1984

	1984	1983
Turnover	£200	£200
Profit before tax	154,224	132,583
Profit after tax	5,106	3,941
Earnings per share—on stated earnings	2,881	3,290
—on earnings excluding deferred tax	31,15p	35,57p
Dividends per share	38.37p	—
The above financial information does not amount to full accounts within the meaning of Section 11 Companies Act 1981.	10.0p	8.6p

The accounts for the period to 1 September 1984 on which the auditors have given an unqualified report will be delivered to the Registrar of Companies in due course.

Copies of the Annual Report and Accounts can be obtained from: The Secretary, Wm Low & Company PLC, GPO Box 73, Baird Avenue, Dryburgh Industrial Estate, Dundee DD1 9NF.

## Receiver called in at Associated Telecommunications

BY RAY MAUGHAN

Associated Telecommunications and a part of Chadwick Investments, the group's office equipment activities, yesterday went into receivership. Lloyds Bank has appointed Mr Alastair Jones as receiver and Mr Mitchell as receiver and manager.

The receivership does not cover North Wales Trust, the instalment credit outfit, or either Portsmouth Finance Corporation or Office Equipment House.

## Stewart Wrightson moves to sell off Lloyd's agency

BY JOHN MOORE, CITY CORRESPONDENT

Stewart Wrightson Holdings, the insurance broker with Lloyd's of London insurance interests, is in negotiations with Merrett Holdings, one of the largest insurance underwriters in the city, to sell off Lloyd's underwriting agency, in an attempt to sell its Pulbrook Underwriting Management Company.

## Hartons cash and shares bid for Elson & Robbins

BY WILLIAM DAWKINS

Hartons Group, the USM-quoted plastic and distribution, and consumer products company, has made an agreed cash and shares offer for Elson & Robbins, the fully listed maker of Duflex sealing, springs and vinyl foam.

## Merks aims to buy Unilever's Norfolk Line

BY ALEXANDER NICOLL

Merks, a fast growing UK shipowner that is part of the Danish A. P. Moller group, is in discussions aimed at purchasing the Norfolk Line from Unilever.

## UK COMPANY NEWS

### Charles Batchelor looks at Dixons' bid for Currys High Street manoeuvres



Michael Curry (left) and Terry Curry, joint managing directors of Currys, and Stanley Kalms, chairman and chief executive of Dixons

THE £33m takeover battle between Dixons, the electrical retailer, and its target and High Street rival Currys, took an unusual new turn this week with Currys' announcement of a novel and audacious defence tactic.

Currys and its merchant banking advisers, S. G. Warburg, launched their new move, which will allow Currys to capitalise on its property assets, just four days ahead of Friday's first closing date of the revised Dixons offer.

Currys' defence play presents investors with a major new element to consider in the six-week-old battle which could lead to the creation of the largest electrical retailing group in the UK.

Interest may need time to absorb the complicated package, forcing Dixons to extend its bid once more. The final closing date under the City Takeover Code's 60-day rule is December 15.

The Currys plan—to sell and lease back about £55m worth of its £33m property portfolio to finance a capital reconstruction—will allow it to make fuller use of its property assets in the bid equation.

Currys' share price remains below the value of the Dixons offer. Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Since joining his father's photographic studio at the age of 16, Mr Kalms, now 52, built up a nationwide chain of camera and photographic equipment shops. This has expanded Dixons' range over the past three years, which now comprises a chain of 250 stores selling televisions, videos, home computers and hi-fi equipment.

Currys has nearly twice as many stores with nearly double the sales space. But its mix of bulkier, "white" goods, such as washing machines and refrigerators, with a range of "brown" goods—television sets, etc.—meant in their last financial year the two companies produced similar levels of profits and turnover.

Some analysts interpreted the Currys' fall as reflecting fears that the bid will fail and Currys' price will fall back. But Morgan Grenfell, Dixons' advisers, said the discount to the offer price was not significant in the light of the sharp rise in the Currys price since the bid was made.

Currys' share price remains below the value of the Dixons offer. Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Since joining his father's photographic studio at the age of 16, Mr Kalms, now 52, built up a nationwide chain of camera and photographic equipment shops. This has expanded Dixons' range over the past three years, which now comprises a chain of 250 stores selling televisions, videos, home computers and hi-fi equipment.

Currys has nearly twice as many stores with nearly double the sales space. But its mix of bulkier, "white" goods, such as washing machines and refrigerators, with a range of "brown" goods—television sets, etc.—meant in their last financial year the two companies produced similar levels of profits and turnover.

Currys' share price remains below the value of the Dixons offer. Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Dixons and Currys stores face each other in many British High Streets, but according to Mr Kalms, a wide-ranging reorganisation is not planned if the takeover goes through. Major adjustments to the product range to avoid overlaps and establish a clearer image for Currys are his stated plans.

Television sets and computers do not sell well alongside fridges and dishwashers in the view of many retailers. Savings will also clearly be possible in both overheads and from the combined groups' increased purchasing power.

In attempting to merge the two groups, Mr Kalms is merely keeping up with a well established trend in electrical retailing. Woolworth, recently absorbed Comet Television is changing its television rental and Trident discount electrical shops and Granada has bought Rediffusion's TV rental business.

Dixons' share price remains below the value of the Dixons offer. Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired.

Since joining his father's photographic studio at the age of 16, Mr Kalms, now 52, built up a nationwide chain of camera and photographic equipment shops. This has expanded Dixons' range over the past three years, which now comprises a chain of 250 stores selling televisions, videos, home computers and hi-fi equipment.

Currys has nearly twice as many stores with nearly double the sales space. But its mix of bulkier, "white" goods, such as washing machines and refrigerators, with a range of "brown" goods—television sets, etc.—meant in their last financial year the two companies produced similar levels of profits and turnover.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Currys' defence play presents investors with a major new element to consider in the six-week-old battle which could lead to the creation of the largest electrical retailing group in the UK.

Interest may need time to absorb the complicated package, forcing Dixons to extend its bid once more. The final closing date under the City Takeover Code's 60-day rule is December 15.

The Currys plan—to sell and lease back about £55m worth of its £33m property portfolio to finance a capital reconstruction—will allow it to make fuller use of its property assets in the bid equation.

Currys' share price remains below the value of the Dixons offer. Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Since joining his father's photographic studio at the age of 16, Mr Kalms, now 52, built up a nationwide chain of camera and photographic equipment shops. This has expanded Dixons' range over the past three years, which now comprises a chain of 250 stores selling televisions, videos, home computers and hi-fi equipment.

Currys has nearly twice as many stores with nearly double the sales space. But its mix of bulkier, "white" goods, such as washing machines and refrigerators, with a range of "brown" goods—television sets, etc.—meant in their last financial year the two companies produced similar levels of profits and turnover.

## Mining News

SHIPMENTS OF zinc concentrates from the Australian CRA group's three mines in New South Wales are to be reduced by some 50,000 tonnes next year. Normal output is in the region of 525,000 tonnes a year, but because of industrial and technical problems output for the first nine months of 1984 has fallen to 286,109 tonnes from 412,823 tonnes in the same period of last year.

In addition, no export shipments are to leave the refinery at Port Pirie in South Australia.

It is stated that the decision to curtail the mines' zinc concentrate sales has been taken because of the need to rebuild stocks to practical working levels after the shutdown which occurred during the two-month mine strike at Broken Hill earlier this year.

Another factor which may have been taken into consideration by the CRA group is the recent falling off in the market for zinc. The group's proposed output, however, is unlikely to make much impact on the overall supply picture.

The CRA output of 50,000 tonnes of concentrate would contain just under 50 per cent metal against Australia's total zinc metal production last year of 647,000 tonnes. The Western world total was 4.78m tonnes.

## Steaua in deal with Sulpetro

BY ALEXANDER NICOLL

Steaua Romana, a British-based energy exploration company controlled by Clabir Corporation of the U.S., has agreed to buy the assets of Sulpetro of Canada for about U.S.\$56m (£45m).

The purchase is to be partially funded with a one-for-two rights issue raising about £2m, and Sulpetro also plans to obtain a listing for its limited voting shares on the Unlisted Securities Market through an introductory sponsored by Heederson Crosthwaite.

Until yesterday, the shares were traded under the Stock Exchange's Rule 535 (9), which was acquired by Steaua when founded in 1920 to invest in the Romanian oil industry—is 66 per cent owned by Clabir, which specialises in developing and floating businesses.

In the UK, Clabir recently pulled out of a deal to buy Associated Telecommunications, parts of which went into takeover yesterday. It has also taken management control of Yorkshire Investments.

Steaua plans to buy interests in 216 oil and gas wells in the U.S., and exploration rights over 157,000 undeveloped acres, together with geological data gathered by Sulpetro. It will take operating control of 36 of the wells, which are mainly in Texas, Louisiana, Oklahoma and West Virginia.

## Complaints as brokers fight for BT commissions

BY ALISON HOGAN

SQUABBLING broke out among stockbrokers yesterday, eager to join in the British Telecom multimillion bonanza which closes on Thursday November 28.

The brokers get a generous 2 per cent commission on successful share applications for up to £10,000 which bear their stamp. Of this, 1 per cent is "residualisable," which means it can be passed on to a financial intermediary such as a solicitor or accountant, as a commission for introductions.

Complaints have been made to BT's advisers that some brokers have offered to pay half the introductory commission back to the investor or to a nominated charity, rather than to an official intermediary, as stipulated in the prospectus.

Brokers have also complained that lead brokers have sent them share prospectuses already stamped, thus preventing them earning commission.

BT employees and the UK public can apply for 1,600m of the 5bn shares on offer, worth £1.52bn at the 130p per share price. Commission will not be payable on all shares as many will be submitted independently, but the bill to the Government will probably exceed £200m. BT's share of the costs is limited to £8.4m, according to the prospectus.

## Company News in Brief

Incheape, international merchant, is looking around for acquisitions to "pep up" growth. General trading will remain a bedrock interest, as will motor which on a normal year would account for some 35 per cent of profit. However, the company is now trying to identify other compatible businesses which could give better margins and higher-than-average growth prospects.

Berge Jensen & Nicholson, the UK paint group owned by Hoechst of West Germany, has increased its holding in A. G. Stanley, the "Fads" DIY chain, to 20.93 per cent.

Berge has been gradually increasing its holding since acquiring 11 per cent in 1979 by selling its retail stores to Stanley in return for shares. Of the latest purchase of 200,000 shares, Mr Michael Lowe, Berge's finance director, said: "We have no design. We thought the shares were rather cheap."

Stanley shares yesterday fell to 38p. The interest rate for this week's issue of local authority bonds is 9 1/2 per cent, down 1/2 per cent from last week, and compares with 9 1/2 per cent a year ago. The bonds are issued at par and are redeemable on November 27, 1988.

A full list of issues will be published in tomorrow's edition.

Net asset value per 50p share at New Court Trust improved from 85p to 432p in the year to August 31, 1984. The final dividend is increased from 9.655p to 10.125p, an increase of total of 14.25p compared with 13.75p. Stated earnings per share were 15.08p against 14.30p. Group revenue rose from £78,703 to £78,996 after all charges including tax of £27,436 (£25,881).

Mr A. S. Edgard has sold 500,000 ordinary in H. Samuel (non-voting) shares.

LADIBROKE INDEX Based on FT Index 913-916 (-1) Tel: 01-427 4411

stores  
r share  
£0.9m  
Read  
ml.  
For  
pro  
1984  
ANNOUNCED

# **FORWARD TRUST GROUP MEETS THE CHALLENGE OF THE FUTURE-NOW.**

**NEW: 32 BUSINESS CENTRES  
PROVIDING SPECIALIST  
SERVICES  ON-LINE COMPUTER  
SYSTEMS THROUGHOUT  ALL  
FINANCIAL SERVICES FOR  
COMMERCE AND INDUSTRY   
STREAMLINED SUPPORT  
SERVICES  SERVICES YOU'LL  
APPRECIATE THE NEXT  
TIME YOU DO BUSINESS WITH US.**



**FORWARD TRUST GROUP**

The asset finance specialist. A member of Midland Bank Group.

**MATCHING THE CHANGING NEEDS OF INDUSTRY AND COMMERCE.**

UK COMPANY NEWS

EQUIPU PLC

Office Equipment & Business Systems

(Incorporated in England under the Companies Act 1929 No. 422665)

Table with columns: Share Capital, Issued and proposed to be issued, Authorized, Ordinary shares of 10p each

Application has been made to the Council of The Stock Exchange for the share capital of Equipu PLC, formerly dealt in the Unlisted Securities Market, to be admitted to the Official List...

Robert Fleming & Co. Limited 8 Crosby Square London EC3A 5AN

and from the following branches of Stock Beech & Co.

Warford Court Throgmorton Street London EC2N 2AY

Bristol & West Building Broad Quay Bristol BS1 4DD 21st November 1984

75 Edmund Street Birmingham B3 3HL

Heavier interest hits Chapman

Although trading profits of Chapman Industries, envelope manufacturer, rose by £15,000 to £373,000, a doubled net interest charge of £94,000 meant pre-tax figures fell from £111,000 to £279,000 in the half-year to September 29 1984...

Young's Brewery

Young and Co's Brewery achieved pre-tax profits ahead of £1.7m for the half-year to end September 1984, compared with £1.6m.

C. E. Heath rises by £4.4m and sees further growth

C. E. Heath pushed its first half pre-tax profits up by £4.36m to £13.7m and is lifting its interim dividend from 5.25p to 6p net per 20p share.



Mr Derek Newton, the chairman of C. E. Heath

Mr D. H. Newton, the chairman, says it is not possible to give an accurate assessment of the likely outcome for the full year bearing in mind that the second half incorporates the major renewal season at January 1.

Insurance broking operations worldwide produced an income of £18.19m (£14.21m).

Optimism at Bulgin as recovery starts

THE MUCH brighter year forecast by A. F. Bulgin is taking shape. The first half ended July 31 1984 shows a £247,000 turnaround in profit compared with the preceding period...

In the first half of 1983-84 this electronic and electrical component manufacturing group made a profit of £381,000.

The £208,000 achieved in the first half of the current year was struck after exceptional cost savings, being the creation of a new power conversion division.

Benefits of the recent reorganisation and stock rationalisation programmes are beginning to show through, while the exceptional costs are largely finished.

The group's energy interests were affected by the continuing poor demand for gas in the U.S. and in view of the results from Buccanore Energy the directors have decided against investing further in the oil and gas sector.

Turnover in the first half went up from £3.23m to £4.25m. After tax profit of £111,000 (£183,000) for earnings of 0.4p (0.65p) per share.

HAT up to £4.3m midway

AN INCREASE of £450,000 in profits is reported by the HAT Group for the half year ended August 31, 1984, and the interim dividend is lifted from 1.65p to 1.8p net per share.

Taxable profit for the period came to £4.33m. The future continues to look encouraging, the directors say, and they are expecting further progress.

The group supplies specialist services and materials to industry and public authorities. It has interests in painting, cleaning, plastering and property. Its turnover for the six months moved ahead from £80.5m to £175m.

Good trading performances were achieved in all UK divisions with the exception of painting.

where margins came under pressure. The directors are currently investing substantial money in the glass and cleaning divisions and it is expected these will show good returns in the near future.

After tax £1.23m (£1.43m) and minorities, the attributable profit for the period came to £3.88m (£4.42m), equal to 3.99p (4.76p) per share.

HAT's price slipped to 116p yesterday as the analysts realised they had over-given their forecasts for this year. Instead of £12m to £13m, a profit of £11m to £11.5m was expected.

Integration of Tighe has involved some rather expensive farewells, but more importantly North Sea work is getting harder to find and pricing for Government contracts has become extremely cut-throat.

Integration of Tighe has involved some rather expensive farewells, but more importantly North Sea work is getting harder to find and pricing for Government contracts has become extremely cut-throat.

Dominic Lawson looks at Aberdeen American's effort to gain a listing Hoping to be second-time lucky

Aberdeen American Petroleum is hoping that it will be second time lucky as it asks the Stock Exchange to give the go ahead for delisting in its share to start tomorrow.

Two and a half years ago the oil company had planned to raise £15m followed by a stock market quote under rule 145 (3). But oil spot price and share price weakness meant that the ambitious financing and market debut were scuppered.

This time around the oil price has again not been exactly helpful, but Aberdeen American has successfully carried out a rights issue to raise £2m, and it fully expects dealings in its shares to start tomorrow under rule 145 (3).

Although Aberdeen is the base of the North Sea oil industry, Aberdeen American, as part of its name suggests, is involved only in exploration offshore in the United States.

Under the expert guidance of a former director of Production Research for Shell Development in Houston, Mr Arlie Winn, AA is exploring for oil and gas in the mature low risk areas in the Rocky Mountain Region, Texas and California.

Mr Winn—who last year was paid almost £24,000 by the fledgling oil company, says that when buying into producing interests he has a minimum target of a 25 per cent annualised rate of return.

In the first half of this year it made an operating loss of £283,537 following a loss last year of £619,347.

An independent analysis of the company's inventory shows proven and probable oil and gas reserves equivalent to about 80p per share.

Aside from Mr Winn, the board of the company is packed with impressive credentials: non-executive-directors, including the Lord Lieutenant of Aberdeen, Sir Magdalen Mackie, and Professor James Brown, Emeritus of the School of Petroleum Engineering at Heriot-Watt University.

former general manager of Shell UK Exploration and Production, Northern Operations.

Mr Murphy says that in about a year's time, it is planned that Aberdeen American applies to join the Unlisted Securities Market, followed in time by a full Stock Exchange listing.

When Aberdeen American made its 1982 attempt at a stock market debut, it had aimed to set aside £7m to invest in North Sea exploration by joining groups bidding for acreage in the 8th round of UK offshore oil and gas licences.

Premier Group Holdings Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 1984

The consolidated results of the Group for the six months ended 30 September 1984 are as follows:

INCOME STATEMENT table with columns: 6 months to, 6 months to, Year ended, % change

BALANCE SHEET table with columns: As at, As at, As at

COMMENTS

- 1. In June 1984 additional shares in Owenstone Investments Limited (OIL) were acquired for the issue of 580,000 new ordinary shares in Premier, which resulted in OIL becoming a subsidiary of the Group...

the additional interest that would have been paid on an equivalent borrowing in Rands for the uncovered period. All loans in foreign currencies were covered at 30 September 1984.

- 4. In setting the price increases for flour and bread which became effective from 1 October the Government took the unprecedented step of not permitting the industry to recover its documented cost increases due in terms of the agreed formula...

On behalf of the Board A. H. BLOOM, Chairman

DECLARATION OF ORDINARY DIVIDEND

An interim dividend of 22 (thirty-two) cents per share (1983: 32 cents) has been declared payable on or about 14 January 1985 to shareholders registered on 14 December 1984.

Company (Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XB), South African Non-Resident Shareholders' Tax at the rate of 15% and United Kingdom Tax will be deducted from the dividends where applicable.

20 November 1984

Copies of this Report are obtainable from the London Secretaries, Barnato Brothers Ltd, 99 Bishopsgate, London EC2M 3XE

Everything you must know about Japan's amazing high-tech start-up ventures.



That's everything: capital, R&D activities, patents, future capitalization plans, much more. Plus the phenomenal business results achieved by these start-up ventures, frequently called Japan's second economic miracle.

This is a ground floor opportunity to get inside 500 of the hottest firms in this fast-growth category - in English.

How hot are they? Median sales healthy about \$10-million by 1987, they're expected to leap some 70%.

Only the Japan Economic Journal, backed by the total economic information network of its publisher - Nihon Keizai Shimbun, Inc. - could compile a guide to these firms as timely, accurate and complete as this one-of-a-kind index.

Send now for your copy and the wealth of information it contains. That's everything necessary to make intelligent investment decisions and plans.

Please send me \_\_\_\_\_ copy(ies) of HIGH-TECH START-UP VENTURES IN JAPAN. Enclosed is my check for (amount) \_\_\_\_\_ made payable to "The Japan Economic Journal."

PRICE (including airmail charge): Europe, South America, Africa, Middle East... US\$154.50

Mailing address: The Japan Economic Journal, 9-5 Otomachi 1-chome, Chiyoda-ku, Tokyo 100, Japan

Name \_\_\_\_\_ Title \_\_\_\_\_ Company \_\_\_\_\_ Address \_\_\_\_\_ Country (Please print or type) \_\_\_\_\_

The Japan Economic Journal Nihon Keizai Shimbun, Inc.

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Wednesday November 21 1984

NEW YORK STOCK EXCHANGE 32-34 AMERICAN STOCK EXCHANGE 33-34 U.S. OVER-THE-COUNTER 34, 42 WORLD STOCK MARKETS 34 LONDON STOCK EXCHANGE 35-37 UNIT TRUSTS 38-39 COMMODITIES 40 CURRENCIES 41 INTERNATIONAL CAPITAL MARKETS 42

WALL STREET

Stimulus sought from Fed

A TECHNICAL recovery was apparent after five sessions of crumbling equity prices, writes Terry Byland in New York. Several factors caused an upturn in the blue chips at midsession. The latest federal data, although indicating slower growth in the U.S. economy, also served to harden belief that the Federal Reserve will pursue more stimulative policies.

cent was greater than the market expected. Further indication of a slowdown in the economy came from the announcement of a 9.8 per cent drop in October housing starts.

The sharp fall in housing starts, a strongly interest rate-sensitive indicator strengthened hopes for a cut in the Federal Reserve's discount rate. The stock market, sluggish at first, turned sharply upwards after Drexel Burnham Lambert, the major brokerage house, was reported to be advising clients to switch out of bonds into stocks.

The federal funds rate eased after the Fed had again intervened in the credit markets, where bond prices were higher at first. The market was also encouraged when a leading Wall Street securities firm advised clients to shift portfolio weightings towards stocks.

At midsession, the Dow Jones industrial average had rebounded from the lower end of its recent trading range to gain more than 12 points to clear the 1,198 level. Buying interest waned towards the close. The Dow showed a net gain of 9.83 points to 1195.12.

The downward revision in the Commerce Department's third-quarter GNP growth figure from 2.7 per cent to 1.9 per

Among the major transatlantic air carriers, Pan Am was down 5/4 at \$4 1/4 after President Reagan's surprise veto of any further anti-trust investigation by the U.S. Justice Department.

The early gains in bond prices were trimmed as attention turned towards the stock market. The key long bond, 10 basis points up at 101 1/2, set the pace for the rest of the market.

The early gains in bond prices were trimmed as attention turned towards the stock market. The key long bond, 10 basis points up at 101 1/2, set the pace for the rest of the market.

The early gains in bond prices were trimmed as attention turned towards the stock market. The key long bond, 10 basis points up at 101 1/2, set the pace for the rest of the market.

TOKYO

Safety found on the sidelines

INVESTORS held to the sidelines in Tokyo yesterday, dragging share prices down all day in extremely thin trading, writes Shigeo Nishitani of Jiji Press.

The Nikkei-Dow market average, which on Monday had achieved its first gain in four sessions, fell 27.23 to 11,256.98 on a volume of 253m shares compared with the previous day's 232.86m. Losses outpaced gains by 389 to 288 with 192 issues unchanged.

Factors which made for a low profile by many investors included this week's continued decline on Wall Street, strong selling pressure from non-residents and the record margin debt.

Overseas investors' sell orders for 18m shares placed with the big four brokerage houses yesterday far exceeded buy orders for 11.5m shares.

Sumitomo Light Metal also attracted speculative interest and added Y3 to Y389, topping the active list with 6.2m shares changing hands. Nippon Denko rose Y25 to Y745 and Pacific Metals Y20 to Y515.

The bond market firmed on brokers' speculative buying in response to the steady performance of U.S. credit markets. Many institutional investors held back, however, awaiting the U.S. growth projection for gross national product due later.

The bond market firmed on brokers' speculative buying in response to the steady performance of U.S. credit markets. Many institutional investors held back, however, awaiting the U.S. growth projection for gross national product due later.

The bond market firmed on brokers' speculative buying in response to the steady performance of U.S. credit markets. Many institutional investors held back, however, awaiting the U.S. growth projection for gross national product due later.

HONG KONG

QUIET and selective trading left Hong Kong steady, although there was a 10-cent rise by Hongkong Wharf at HK\$4.45 in unusually heavy activity for the stock.

Hongkong Land firmed 2 cents to HK\$3.32 in further consideration of its reshaping, while Hongkong Electric, in which Hongkong Land has a 34 per cent stake removed to be up for sale, added 5 cents to HK\$8.50.

SINGAPORE

SPECULATIVE dealings again dominated Singapore as a mixed overall close masked sharp movements in both directions by active individual features. This was despite the suspension requested by Pan Electric, which has soared to prominence in recent months, ahead of an expected acquisition.

Textile Corp was volume leader for the second day, but its 15-cent loss at S\$1.54 more than offset Monday's gain. Following it in activity were Pahang.

CANADA

SLOW HEADWAY was made by Toronto in responding to the stronger indications from New York, and gains by golds and the transport sector did not immediately extend elsewhere.

EUROPE

Corporate boost to dull day

A SCATTERING of local corporate statements and share issues provided the main source of interest on otherwise dull European bourses.

Many Frankfurt investors were absent ahead of the Repentance Day holiday today, with a subsequent drop in turnover. The Commerzbank index nevertheless turned 4.6 higher to 1,075.8.

Siemens's plan to raise its dividend to DM 10 after a surge in world group turnover was warmly received and brought a new high for the year of DM 458.50, a gain of DM 5.50 although off its DM 458 day's peak.

Porsche offset the previous session's setback by leading the quality car sector with a DM 17 gain to DM 1,015. Daimler was DM 2 ahead at DM 559.50.

Utilities firmed on Veba's favourable interim statement as it closed DM 1.30 higher at DM 167.50. Elsewhere banks and stores showed steady gains.

Bonds were slightly higher in quiet trading as the Bundesbank sold DM 23m of public paper compared with Monday's DM 25m sale.

A cautious Amsterdam edged higher with the ANP-CBS index up 0.2 at 174.7. Some weakness developed among international as Royal Dutch shed 50 cents to F1 170. Philips held steady at F1 53.30, although Unilever secured a F1 1.50 gain at F1 287.

Insurers were firmer, with Amev 70 cents up to F1 189.20 as it announced plans to increase its holding in the Spanish insurance group Bilbao to 53 per cent. Aegoo, however, at F1 131 managed a rise of F1 2.50, one of the best gains of the session.

Bonds were marginally better ahead of a new state issue, possibly today. Capital issues dominated an easier Brussels market as trading in the new Groupe Bruxelles Lambert rights began.

Capital issues dominated an easier Brussels market as trading in the new Groupe Bruxelles Lambert rights began. GBL finished the day down BFr 160 at BFr 2,040.

LONDON

Telecom keeps many engaged

THE LOOMING British Telecom offer continued to preoccupy London stock markets yesterday, and leading equities drifted lower in idle trading conditions before steadying late in the session.

Government securities also gave ground. Some London dealers encountered sporadic sales which may have represented the need to raise funds for BT, but most were convinced that the necessary financing had been completed.

The oil sector suffered more than most because of growing pressures for a reduction in North Sea oil prices. British Petroleum fell 13p to 482p, while ICI was the only other constituent of the FT Industrial Ordinary index to record a double-figure loss - off 10p to 646p.

Citibank's surprise move in lowering its UK base lending rate to 9 1/2 per cent came too late to help sentiment and the index closed 6.3 down at 912.8.

Turnover in gilt-edged securities was very low and quotations eased before staging a tentative rally. Selected longer-dated stocks settled a half down on balance, although index-linked issues resisted, after scattered demand for near-dated maturities.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37

AUSTRALIA

THE OIL and gas sector withstood widespread Sydney selling which extended elsewhere from metal mining to industrial issues, while banks remained under pressure. The all Ordinaries index shed 2.4 to 772.6 and the metal and minerals index 3.0 to 465.9.

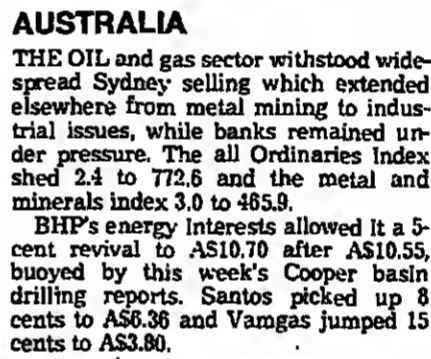
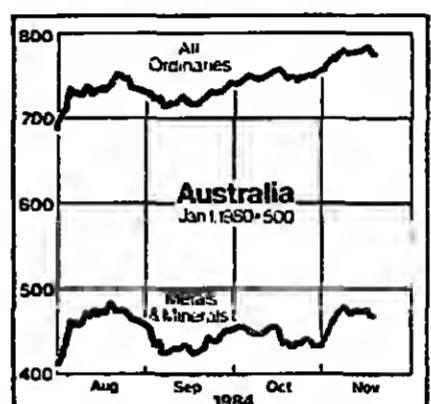
BHP's energy interests allowed it a 5-cent revival to AS10.70 after AS10.55, buoyed by this week's Cooper basin drilling reports. Santos picked up 8 cents to AS6.36 and Vamgas jumped 15 cents to AS3.80.

SOUTH AFRICA

DOWNWARD drift by Johannesburg

A DOWNWARD drift by Johannesburg golds was slowed, leaving most issues lower but above the day's worst. Southvaal was one of the few to break through with a 25-cent rise to R85.25, but Vaal Reefs shed R1 to R185.

Industrials drew further benefit from prime rate cuts, allowing retailer OK Bazaars a 25-cent advance to R14.75 although Premier held at R20 on its profits oews.



KEY MARKET MONITORS



Table with multiple columns: STOCK MARKET INDICES (NEW YORK, LONDON, TOKYO, AUSTRALIA, AUSTRIA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD), CURRENCIES (U.S. DOLLAR, STERLING), INTEREST RATES (Euro-currencies, U.S. Fed Funds, U.S. 3-month CDs, U.S. 3-month T-bills), U.S. BONDS (Treasury, Corporate), FINANCIAL FUTURES (CHICAGO U.S. Treasury Bonds, U.S. Treasury Bills, Certificates of Deposit), LONDON Three-month Eurodollar, 20-year National Gilt, COMMODITIES (Silver, Copper, Coffee, Oil).

Advertisement for SANYO TOKYO SANYO ELECTRIC CO., LTD. featuring U.S. \$100,000,000 3-1/2 per cent. Convertible Bonds due 1999. Includes a list of international financial institutions and agents such as Daiwa Europe Limited, Morgan Stanley International, and Citicorp Capital Markets Group.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of stock prices with columns for stock symbols, prices, and changes. Includes sub-sections for '12 Month' and '100 High'.



AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, listing various stocks with columns for 12-month high/low, stock name, and price.

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, listing various stocks with columns for 12-month high/low, stock name, and price.

Notes regarding stock prices, dividends, and financial data, including definitions for various stock types and financial metrics.

INTERNATIONAL GUIDE TO THE ARTS every Friday in the Financial Times

Handwritten signature or mark at the bottom of the page.



Jeff... (Handwritten note)

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Proximity of British Telecom inhibits interest and markets drift lower

Accountant Listing Dates

Table with columns: First Declared, Last Account Dealings, Dealings Day, etc.

The looming privatisation of British Telecom continued to preoccupy London stock markets yesterday. The search for the elusive application forms for the UK's largest-ever share issue consumed investment thoughts and allowed little time for more routine activities.

Sentiment was influenced to some extent by the financial market trends and the current debate about short-term interest rate movements. Investors were hopeful of cheaper American money because of a little more optimistic following the latest U.S. Gross National Product.

Some London dealers encountered sporadic sales which may have represented the need to raise funds for British Telecom, but most were convinced that the necessary financing had been completed. Selling pressure overall was extremely light with few equity traders being given the chance to square short book positions.

The oil sector suffered more than most because of growing pressures for a reduction in North Sea oil prices. British Petroleum fell 1/4 to 492p, but ICI was the only other constituent of the FT Industrial Ordinary share index to record a double-digit loss.

C. E. Heath advance

Lloyd's Brokers made the running in insurance consideration and later by better-than-expected results from C. E. Heath. The latter jumped 20 to 490p on news of the 47 per

and markets drift lower

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for Nov. 20, 21, and 22, 1984. Columns include indices for Govt. Secs., Fixed Interest, Gold Mines, etc.

10 am 917.0, 11 am 912.8, 1 pm 910.7, 2 pm 910.7, 3 pm 910.7. Basis: 100 Govt. Secs., 15/10, 26. Fined Int. 1928, Industrial 1/7/28, Gold Mines 12/9/56, 31 Actuary 1974.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows and S.E. Activity for various stock categories like Govt. Secs., Fixed Int., Ind. Ord., and Gold Mines.

attracted speculative demand and moved 2 1/2 to 8 1/2, but Scottish Agricultural Industries met occasional selling and fell 10 to 188 1/4 low of 30p.

Currys react. Digestion of Currys' latest bid defence brought scant comfort to holders and the shares of the electrical retailing chain dipped 20 to 46 1/2.

Leading Buildings displayed minor movements in either direction. Barratt Developments encountered nervous offerings in front of today's annual meeting and eased 3 1/2 to 207 1/2.

ICI remained a dull market on Wall Street influences and the news that the group is to be sold to a consortium led by the chairman's caution at the annual meeting.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing FT-Actuaries Share Indices for various groups and sub-sections, including Equity Groups, Fixed Interest, and Average Gross Redemption Yields.

of interest than actual selling pressure. Bullion held steady throughout the session and closed a net 75 cents up at \$327.75 an ounce.

The majority of the leading Golds were marked down initially and thereafter drifted in idle trading. Randfontein and Vaal Reef dipped a point apiece while Southwold gave up 1/2 at 237 1/2.

Interest in leading Properties remained at a low ebb and quotations barely shifted. Elsewhere, buying ahead of next Monday's half-term left Sterling Guarantees a penny dearer at 51 1/2.

Oil prices advanced in spot oil prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Renewed weakness in spot oil prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Gold prices advanced in spot gold prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Metals Box fall. Metal Box followed Monday's decline of 1/4 to 188 1/2, on disappointment with the modest improvement in interim profits coupled with the Board's uncertainty about the company's long-term prospects.

of interest than actual selling pressure. Bullion held steady throughout the session and closed a net 75 cents up at \$327.75 an ounce.

The majority of the leading Golds were marked down initially and thereafter drifted in idle trading. Randfontein and Vaal Reef dipped a point apiece while Southwold gave up 1/2 at 237 1/2.

Interest in leading Properties remained at a low ebb and quotations barely shifted. Elsewhere, buying ahead of next Monday's half-term left Sterling Guarantees a penny dearer at 51 1/2.

Oil prices advanced in spot oil prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Renewed weakness in spot oil prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Gold prices advanced in spot gold prices amid fears that North Sea and OPEC oil prices would could well come under further pressure.

Metals Box fall. Metal Box followed Monday's decline of 1/4 to 188 1/2, on disappointment with the modest improvement in interim profits coupled with the Board's uncertainty about the company's long-term prospects.

EQUITIES

Table showing Equities with columns for Stock, High, Low, and other metrics.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks with columns for Issue, Price, and other metrics.

"RIGHTS" OFFERS

Table showing Rights Offers with columns for Issue Price, Last Offer, and other metrics.

NEW HIGHS AND LOWS FOR 1984

Table showing New Highs and Lows for 1984 with columns for High and Low.

Renunciation date usually last day for dealing free of stamp duty, a figure based on prospectus estimates. Dividend paid or payable on part of capital, cover based on dividend on full capital.

OPTIONS

Table showing Options with columns for First Deal, Last Deal, and other metrics.

ACTIVE STOCKS

Table showing Active Stocks with columns for Stock, Change, and other metrics.

MONDAY'S ACTIVE STOCKS

Table showing Monday's Active Stocks with columns for Stock, Change, and other metrics.

RISES AND FALLS YESTERDAY

Table showing Rises and Falls Yesterday with columns for British Funds, Foreign Bonds, etc.

FIXED INTEREST

Table showing Fixed Interest with columns for Price Indices and British Government.

AVERAGE GROSS REDEMPTION YIELDS

Table showing Average Gross Redemption Yields for various maturities.

BRITISH GOVERNMENT INDEX-LINKED STOCKS

Table showing British Government Index-linked Stocks with columns for All Stocks and Inflation Rate.

\*FTSE 100 SHARE INDEX. \*FT yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Cannon Street, London, EC4A 3DF, price 15p, 25p.



Spill in Wild

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

International Financial DAIWA SECURITIES logo and header.

MINES—Continued

Table of mining stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

Commercial Vehicles

Table of commercial vehicle stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

Components

Table of component stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

Garages and Distributors

Table of garage and distributor stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

SHIPPING

Table of shipping stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

PAPER, PRINTING

Table of paper and printing stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

TEXTILES

Table of textile stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

SOUTH AFRICANS

Table of South African stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

PLANTATIONS

Table of plantation stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

INSURANCES

Table of insurance stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

PROPERTY

Table of property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

TOBACCO

Table of tobacco stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

OIL AND GAS

Table of oil and gas stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

MINES

Table of mining stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high, low, and volume.

Notes and regional/irish stocks information at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Britannia Group, Abbey Unit Trst Mgrs, High Income, and others, with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including sections for Franklin Unit Mgt Ltd, Key Fund Managers Ltd, Perpetual Unit Trust Mgmt, and various other fund managers like Robert Fraser Trust Mgt Ltd.

Table of insurance companies and their policies, including sections for Commercial Life Insurance, General Insurance, and others.

INSURANCES

Table listing insurance providers such as AA Friendly Society, Abnly Life Assurance Co, and others, with details on their services.

F.T. CROSSWORD PUZZLE No. 5575

Crossword puzzle grid with clues for 'ACROSS' and 'DOWN' sections.

Continuation of the FT Unit Trust Information Service table, listing various unit trusts and their details.

Continuation of the insurance companies table, listing various providers and their offerings.

Handwritten signature or mark at the bottom center of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Handwritten signature: J. Williams

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Prudential Institution, and various international investment funds.

Table of insurance and overseas funds including Sava & Procter Group, Target Life Assurance Co Ltd, and various international investment funds.

Table of insurance and overseas funds including GAL Investments (IHM) Ltd, British Overseas Investment Ltd, and various international investment funds.

Table of insurance and overseas funds including Midland Bank Ltd, Taiwan (ROC) Fund, and various international investment funds.

OFFSHORE AND OVERSEAS

Text describing offshore and overseas investment opportunities, including mentions of investment managers and fund types.

Money Market

Text providing information on the money market, including interest rates and market conditions.

Trust Funds

Text providing information on trust funds, including details on various fund structures and investments.

Money Market

Text providing information on the money market, including interest rates and market conditions.

Bank Accounts

Text providing information on bank accounts, including details on various banking services and interest rates.

Notes and disclaimers at the bottom of the page, including information on data sources and the accuracy of the information provided.

COMMODITIES AND AGRICULTURE

EEC plans grain export rebate cut

EUROPEAN COMMUNITY officials will tomorrow debate important cuts in export rebates on processed cereals products which could affect trade worth millions of dollars.

Soviet bank gold dealer dismissed

BANK Wozchod-Handelbank, the Swiss-based Soviet bank, dismissed yesterday its chief gold dealer, Mr Werner Petrosens, a Swiss national, for trading beyond limits designated by the bank.

John Edwards on reasons behind the recent collapse of a leading trader Argos Metals caught in a platinum vice

THE FORCED liquidation of platinum trader, Argos Metals, is not just a case of the small man being squeezed out by more powerful rivals. It also reflects conditions in the world platinum market.

There were three participants—Ayrton Metals, a subsidiary of Impala Platinum of South Africa; Samuel Montagu, London bullion brokers and merchant bank; and Argos, which has now withdrawn.

although there is no particular logic in this. They are mined separately and are only interchangeable in some uses, mainly in the electronics industry and the jewellery trade.

U.S.-Soviets in grain talks

UNITED STATES and Soviet officials met in Washington yesterday to begin two days of talks on their long term grain agreement amid signs of a slight thaw in relations.

Australian locust plague spreads

SWARMS of locusts are on the wing in southern New South Wales, Australia, threatening extensive damage to crops and pastures.

(£340,000) has already been inflicted. Although the cost of the damage could rise sharply, the commission says that aircraft spraying is helping combat the infestation.

production is not expected to be severe. The gross value of Australian farm production in 1984-85 is forecast at A\$14.8bn, slightly below last year's record A\$15.2bn.

New York exchange fined

THE U.S. Commodity Futures Trading Commission has levied a fine of \$2,000 (£3,000)—its second largest penalty ever—against the New York Commodity Exchange for allegedly failing to enforce its own rules against a floor broker.

PRICE CHANGES

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like Metals, Copper, Cash, Wheat, etc.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like BASE METALS, COPPER, TIN, LEAD, ZINC.

WEEKLY METALS

Table with columns: Commodity, Nov 15, + or -, Week ago. Includes items like COFFEE, SUGAR, GRAINS, WHEAT, BARLEY.

AMERICAN MARKETS

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like NEW YORK, COCOA, MOODY'S, WOOL FUTURES, MEAT/FISH.

LONDON OIL

Table with columns: Commodity, Latest, + or -, Month ago. Includes items like Arabian Light, Brent, Urals.

GAS OIL FUTURES

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

GOLD MARKETS

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like Gold Bullion, Krugger, 1/4 Krug, 1/2 Krug, 1/4 Maplet, 1/2 Now Sov.

INDICES

Table with columns: Index, Nov 19, + or -, Week ago. Includes items like FINANCIAL TIMES, REUTERS, DOW JONES.

NEW YORK

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like ALUMINIUM, COCOA, MOODY'S, WOOL FUTURES.

CHICAGO

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like MALZE, SUGAR, SOYABEAN MEAL.

EUROPEAN MARKETS

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like WHEAT, SOYABEAN, COFFEE, SUGAR, COTTON.

ALUMINIUM

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like Alumini, Spot, 3 months, 6 months, 9 months, 12 months.

COCOA

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like COCOA, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

RUBBER

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like RUBBER, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

MEAT/FISH

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like MEAT, FISH, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

COTTON

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like COTTON, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

CHRISTMAS TREE FORECAST

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like CHRISTMAS TREE, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

SOYABEAN MEAL

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like SOYABEAN MEAL, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

NICKEL

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like NICKEL, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

COFFEE

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like COFFEE, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

WOOL FUTURES

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like WOOL FUTURES, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

MEAT/FISH

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like MEAT, FISH, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

CHRISTMAS TREE FORECAST

Table with columns: Commodity, Nov 20, + or -, Month ago. Includes items like CHRISTMAS TREE, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

NEW ZEALAND DAIRY CHIEF BACKS RULING

THE HEAD of the New Zealand Dairy Board yesterday welcomed the outcome of last week's meetings of the International Dairy Products Council in Geneva.



Spill in 1984

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

U.S. GNP fails to depress dollar

The dollar broke through the DM 3.00 level in currency markets yesterday despite a larger than expected downward revision to the U.S. GNP figures and the ever present threat of further Bundesbank intervention. Early trading has seen the dollar extract steady demand despite the threat of dollar sales by the Bundesbank. A 1.9 per cent GNP figure for the third quarter was lower than market estimates of around 2.5 per cent and a previous estimate of 2.7 per cent but this failed to deter dollar demand.

The dollar's rise was not easily explained by dealers in the light of growing evidence that the pace of U.S. economic growth was slowing significantly. There appeared to be underlying fears however of the problem of funding an increasingly large budget deficit. While potentially manageable, a reduction in Federal funding needs would obviously enhance the possibility of lower interest rates.

The dollar closed at DM 3.0060, its best level this month and up from DM 2.9520 on Monday. Elsewhere it finished at SwFr 2.4890 from SwFr 2.4735 and Y245.00 from Y243.60. Against the French franc it rose to

FFr 9.2225 from FFr 9.1800. On Bank of England figures, its index rose to 140.0 from 139.8. Sterling remained on the sidelines for much of the day and only really suffered in late trading as the dollar moved higher. It closed at \$1.2375-2385 down from \$1.2485-1.2495, a fall of 1.1c and slipped to DM 3.7250 from DM 3.7375. Against the Swiss franc it declined to SwFr 2.4890 compared with SwFr 2.4735 and Y245.00 from Y243.60.

FINANCIAL FUTURES

Gilts weaken

Gilt futures failed to follow through on gains seen in U.S. denominated interest rate contracts on the London Financial Futures Exchange yesterday, while three-month sterling deposits finished at the days low. The U.S. bond market closed firm overnight, but of its peak following uncertainty about further easing of the Federal Reserve's monetary stance. A revised figure on U.S. Gross National Product for the third quarter was awaited. This was expected to be below the previous estimate of 2.7 per cent growth, but yesterday's announcement of a 1.9 per cent rise was much lower than expected, and was just the news the market needed.

Eurodollar and U.S. bond futures rallied sharply, but there was some concern at the strength of the dollar despite the GNP figure. This reflects fears that the very high U.S. budget deficit will severely limit the ability of the Federal Reserve to reduce interest rates. Some profit taking pushed Eurodollars and Treasury bonds down from the day's high, but both contracts remained generally firm. On the other hand gilt futures weakened, as cash prices fell in late trading, and sterling lost ground to the very strong dollar on the foreign exchange.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Unit, % change, % change against central rate, % change against previous rate, % change against previous rate. Rows include Belgium, Denmark, France, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, UK.

STERLING EXCHANGE RATE INDEX

Table with columns: Rate, % change, % change against central rate, % change against previous rate. Rows include 8.30 am, 9.00 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

\$ in New York

Table with columns: Rate, % change, % change against central rate, % change against previous rate. Rows include 1 month, 3 months, 6 months, 12 months.

SPOT-SPOT-FORWARD AGAINST POUND

Table with columns: Currency, Spot, Forward, % change. Rows include U.S., Canada, Denmark, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, UK.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Currency, Spot, Forward, % change. Rows include U.S., Canada, Denmark, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, UK.

OTHER CURRENCIES

Table with columns: Currency, Rate, % change. Rows include Argentina, Australia, Brazil, Hong Kong, Korea, Luxembourg, New Zealand, Singapore, South Africa, Taiwan.

CURRENCY MOVEMENTS

Table with columns: Currency, Rate, % change. Rows include Sterling, U.S. dollar, Australian dollar, Canadian dollar, Danish krone, Deutsche mark, French franc, Italian lira, Japanese yen, Swiss franc, UK.

CURRENCY RATES

Table with columns: Currency, Rate, % change. Rows include Sterling, U.S. dollar, Australian dollar, Canadian dollar, Danish krone, Deutsche mark, French franc, Italian lira, Japanese yen, Swiss franc, UK.

EXCHANGE RATES

Table with columns: Currency, Rate, % change. Rows include Pound Sterling, U.S. Dollar, Deutsche Mark, French Franc, Italian Lira, Japanese Yen, Swiss Franc, UK.

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Rate, % change. Rows include Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner.

MONEY MARKETS

Little change, but some late nerves

Interest rates were hardly changed in very quiet trading on the London money market yesterday. Only a small day-to-day credit shortage was forecast, but the Bank of England failed to find enough bills to purchase at its new dealing rates. The discount houses clearly expect the other clearing banks to leapfrog over Barclays Bank to a base rate of 9 1/2 per cent within the next week. Three-month interbank was slightly firmer at 9 1/2 per cent compared with 9 1/4 per cent, while discount houses buying rates for three-month bank bills were 9 1/4 per cent, 1/2 per cent against 9 1/4 per cent. After the market closed the London branch of the U.S. based Citibank reduced its sterling intervention.

MONEY RATES

Table with columns: Rate, % change. Rows include Overnight, One month, Two months, Three months, Six months, One year.

LONDON MONEY RATES

Table with columns: Rate, % change. Rows include Overnight, One month, Two months, Three months, Six months, One year.

FT LONDON INTERBANK FIXING

Table with columns: Rate, % change. Rows include One month, Three months, Six months, One year.

Discount Houses Deposit and Bill Rates

Table with columns: Rate, % change. Rows include Overnight, One month, Two months, Three months, Six months, One year.

MONEY RATES

Table with columns: Rate, % change. Rows include New York (Lunchtime), Pm rate, Broker loan rate, Fed funds at intervention, Treasury Bills, Treasury Bonds.

EGD Fund Rate

EGD Fund Rate (Finances Scheme IV): Average Rate of Interest period October 5 to November 9 1984 (exclusive): 10.18 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed, Finance House Base Rate (published by the Finance House Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates: 10 1/2 per cent. London Deposit Rates fall sums at seven days' notice 7 1/2 per cent. Treasury Bills: Average tender rate of discount 6.0438 per cent. Certificates of Deposit (Series 01) Deposits £100,000 and over held under each month 10 per cent, one to three months 10 per cent, three to six months 10 per cent, six to nine months 10 per cent, nine to 12 months 10 per cent. Under £100,000 per cent from November 7. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn to cash 7 per cent.

BANK OF TOKYO (SWITZERLAND) LTD. is pleased to announce the opening of its GENEVA OFFICE at 18, Bld Georges Favon PO BOX 324 1211 GENEVA II SWITZERLAND Tel. (022) 29 79 11 Telex 423815 Gen. Manager M. ASAWA As your Private Advisor for Investments. Head Office: Bahnhofplatz 1, 8001 Zurich

Contracts and Tenders INTERVENTION BOARD FOR AGRICULTURAL PRODUCE INVITATION TO TENDER. Tenders are invited for the urgent supply of 5,000 tonnes of soft wheat to Pakistan. For delivery on a 100 abovet and trimmed basis on an FIC port. Loading shall commence no earlier than 15th December 1984 and no later than 20th December 1984 for 15 days and the supply of 15,000 tonnes of soft wheat to Sri Lanka for delivery on a 100 abovet and trimmed basis on an FIC port. Loading shall commence no earlier than 2nd January and no later than 17th January 1985 for 15 days.

Seminars MOST PEOPLE DON'T REMEMBER WHAT HAS BEEN TAUGHT AT SALES SEMINARS. The Pro-Seminars Action Show changes all that - by combining one of the world's leading sales trainers, plus top TV actors to perform 'live' - ensuring the selling skills covered are remembered. The premiere of the PRO-SEMINARS ACTION SHOW is on December 13th at London's Cafe Royal - Ring (0527) 35685 for full details or contact Selltran Ltd., 741-143 Worcester Road, Bromsgrove, Worcs. B61 7HN

The Chase Manhattan Corporation (Incorporated in the State of Delaware) Floating Rate Subordinated Notes Due 2009. This advertisement complies with the requirements of the Council of The Stock Exchange. U.S. \$400,000,000. The following have agreed to subscribe or procure subscribers for the Notes: Credit Suisse First Boston Limited, Chase Manhattan Limited, Arab Banking Corporation (ABC), Bank of America International Limited, Bank of Tokyo International Limited, Bank of Yokohama (Europe) S.A., Banque Bruxelles Lambert S.A., Banque Indosuez, Banque Paribas, Barclays Merchant Bank Limited, County Bank Limited, Credit Agricole, Credit Commercial de France, Credit Lyonnais, Creditanstalt-Bankverein, Dai-ichi Kangyo International Limited, Dresdner Bank Aktiengesellschaft, Fuji International Finance Limited, Genossenschaftliche Zentralbank AG, Girozentrale und Bank der osterreichischen Sparkassen, IBJ International Limited, Kidder, Peabody International Limited, LTCB International Limited, Mitsubishi Finance International Limited, Mitsui Trust Bank (Europe) S.A., Morgan Guaranty Ltd, The National Bank of Kuwait S.A.K., The National Commercial Bank (Saudi Arabia), Nippon Credit International (HK) Ltd, Nomura International Limited, Orion Royal Bank Limited, PK Christiania Bank (UK) Limited, Prudential-Bache Securities Inc, Saitama Bank (Europe) S.A., Standard Chartered Merchant Bank Limited, Sumitomo Finance International, Svenska International Limited, Swiss Bank Corporation International Limited, The Taiyo Kobe Bank (Luxembourg) S.A., Westdeutsche Landesbank Girozentrale. The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note. Interest is payable quarterly in arrears in March, June, September and December, the first interest payment date to be in March 1985. Full particulars of the Notes are available in the Exrel Statistical Service and may be obtained during usual business hours up to and including 4th December, 1984 from the brokers to the issuer: Hoare Govett Limited, Heron House, 319/325 High Holborn, London WC1V 7PB 21st November, 1984

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Table with columns: Stock, Sales (Hnds), High, Low, Last, Chng. Includes sub-sections for Continued from Page 34, N-N, and O-O.

Table with columns: Stock, Sales (Hnds), High, Low, Last, Chng. Includes sub-sections for S-S, T-T, and U-U.

Table with columns: Stock, Sales (Hnds), High, Low, Last, Chng. Includes sub-sections for V-V, W-W, X-X, Y-Y, and Z-Z.

EUROBONDS

Euroyen market to open doors for corporate borrowers

BY MAGGIE URRY IN LONDON

THE Euroyen bond market was the centre of attention for the Euro-bond market yesterday, as issuers got ready for the December 1 opening of the market to corporate borrowers.

Nomura Securities set a par issue price for the Y50bn 10-year deal for Dow Chemical, which has a 7 per cent coupon. The closing and payment date will be December 1.

Daiwa Securities announced terms for a ¥12.5bn issue for Sears Roebuck, that has a seven-year life and a 6 1/2 per cent coupon. The issue price will be set on November 30. Both issues were trading well in the grey market yesterday, around their 1 1/2 per cent selling concessions.

The European houses were pleased to see that commissions have been set on Eurodollar bond terms. For the shorter Sears issue, total fees are 1 1/2 per cent, and Dow's gross commissions are 2 per cent.

European bond traders are keen to be active market makers in the Euroyen issues in the secondary market.

Good demand was reported by the lead managers for the issues, coming from a wide spread of investors. More issues have been authorised by the Japanese Ministry of Finance, and Nomura is expected to bring an issue for TRW, while Daiwa is thought to be leading a Good-year Tire and Rubber bond.

Table: BNP Bank bond average. Columns: Nov 20, 102.125, 102.059, 102.141. Rows: High, Low, 1984, 1985.

Meanwhile in the Samurai market, New Zealand launched the largest ever issue at ¥100bn, lead managed by Nomura. The 10-year bonds, which have a nine year average life, pay a 7.1 per cent coupon and have a par issue price.

There were no new issues in the Eurodollar market yesterday. The two-tranche deal for Sweden, launched late on Monday, traded actively. The five-year portion was offered at the 1 1/2 per cent selling concession, but the 10-year tranche was moving slowly and was quoted at a discount equal to the 2 per cent total fees.

The difference in coupon between the two tranches is 1/4 per cent. Some traders pointed out that the yield curve is steeper than that and that the longer part should pay 1/4 per cent more than the five-year bond.

Excellor bonds found buyers yesterday, though their interest was selective. Some recent bond issues, which got left behind in the flood of new deals, were seen as giving good value and they jumped by as much as 1/4 point. Others were barely better.

Bankers Nationale de Paris launched a Eurosterling floating rate note through its UK subsidiary. The £25m issue has an eight-year average life and, unusually, pays interest at a margin over six-month rather than three-month London inter-bank rate. The margin is 1/4 per cent and front-end fees were 85 basis points.

Dealers remarked that the issue size was too small for active trading, though the bonds were quoted at around 99.40, well inside the fees.

Commerzbank set the terms for the World Bank's DM 200m private placement at a 1 1/4 per cent coupon and par issue price for the five-year bond.

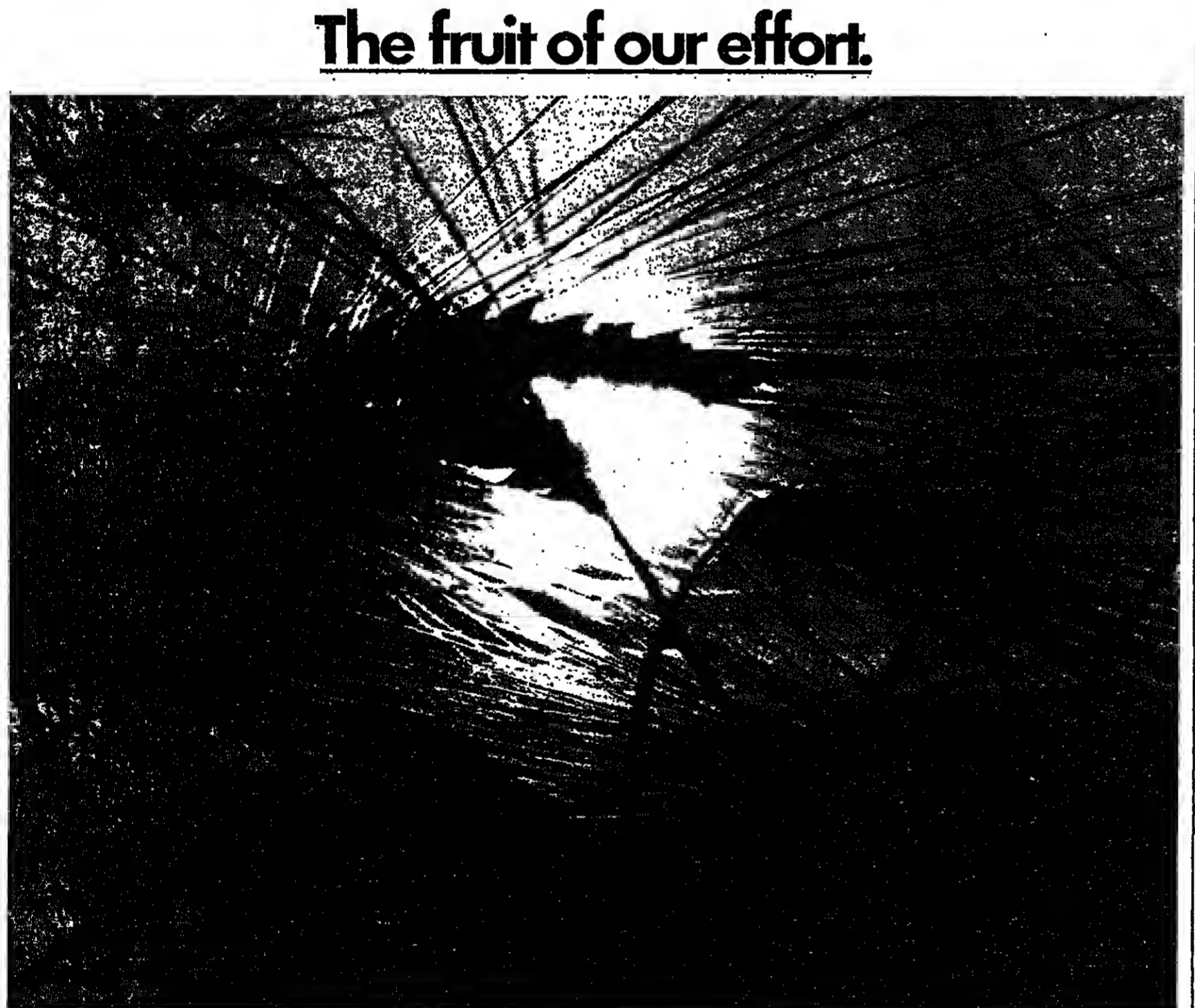
D-Mark bonds were 1/4 to 1/2 point higher than the better news of the US economic statistics appeared. Swiss franc bonds were mixed in low turnover. Credit Suisse was able to set the new South Wales Swiss franc public issue at the maximum Swfr 150m amount. The coupon has been set at 5 1/2 per cent and issue price at 99 1/2, cutting the yield from the indicated 5 1/2 per cent to 5.4 per cent. The next public issue is expected to be for the World Bank.

Bankers Gutwiler is indicating a 5 1/4 per cent yield for the Swfr 40m issue for the Industrialisation Fund of Finland, to be priced on November 23. Citicorp (Switzerland) cut the yield on its Swfr 90m private placement for Tobishima from 4 per cent to 3 1/2 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 20.

Large table listing international bond issues with columns for Issued, Bid, Offer, Change, Yield, and various other metrics. Includes sub-sections for U.S. DOLLAR, EUROPEAN STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, and CONVERTIBLE.



The fruit of our effort.

If hunger is to be banished from the world, the world will need more farmland - and more fertile farmland. Fertilizers are needed to accomplish both. Krupp technology has the answer. Our advanced version of the Koppers-Totzek process does the groundwork for cost-efficient production of ammonia synthesis gas from solid and liquid feedstocks. This in turn is used to produce fertilizers which promote the plant growth so desperately needed by a hungry world. For decades, industrial-scale ammonia plants have been operating worldwide, helping to feed our growing populations. Another pace-setting Krupp technology. Engaged in industrial plant design and construction, mechanical engineering, electronics, steel, shipbuilding and international trade, Krupp offers innovative technology and engineering worldwide that sow the seeds of future growth. Can we help your effort to bear fruit? For further information please write to: Fried. Krupp GmbH, StA V/W, Altendorfer StraÙe 103, D-4300 Essen 1. Krupp. A tradition of progress.

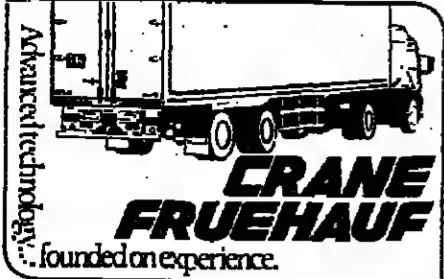


WORLD VALUE OF THE DOLLAR every Friday in the Financial Times

Handwritten text at the bottom of the page: 'مركز ابحاث' (Research Center).

SECTION II - INTERNATIONAL COMPANIES  
**FINANCIAL TIMES**

Thursday November 22 1984



**A. O. Smith to quit farm market**

**By Our Financial Staff**  
 A. O. Smith, the world's largest independent manufacturer of car and truck frames, plans to withdraw from the agricultural market and sell certain related subsidiaries, producing a one-time fourth-quarter charge of about \$36m, or \$4.85 a share.  
 The charge is almost certain to produce a loss for 1984 for the Milwaukee-based concern, which last year posted net earnings of \$13.6m, or \$1.85 a share, on sales of \$853.4m.  
 Although the agricultural side's contribution to total sales has fallen from about 20 per cent to just over 7 per cent, the businesses have experienced "significant losses" for the past two years and are expected to report sizeable losses this year, the company said.  
 The planned disposals provide further evidence of the dismal state of the U.S. farm economy.

**Diversifoods buyout may founder after sharp profits slide**

**BY WILLIAM HALL IN NEW YORK**  
 AN UNEXPECTEDLY sharp drop in third-quarter profits at a subsidiary has thrown into doubt an agreed \$325m leveraged buyout of Diversifoods, the Chicago-based fast food chain, which is being proposed by senior management with the assistance of Allen & Company, the New York investment bank.  
 Diversifoods, which operates 1,400 fast-food restaurants across the U.S., said it had been advised by the proposed buyout group that in the light of the recently announced decline in third-quarter profits of Diversifoods' Godfather's Pizza division and other matters, the would-be purchasers had serious concerns about the willingness of lenders to finance an acquisition at \$15.50 a share in cash.  
 After news of the profits setback, the buyout group had suggested an alternative, offering \$10 a share in cash, \$4.50 principal amount of a 15-year income debenture payable out of the pre-tax income of the

**Write-offs hit First Chicago earnings**

**By Our New York Staff**  
 FIRST CHICAGO, the 10th largest U.S. banking group, which reported a \$71.8m third-quarter loss, after a \$278m loan write-off, is considering selling its 57-storey headquarters building as one way to increase the primary capital ratio of its major subsidiary, First National Bank of Chicago.  
 First Chicago revealed last week that it had signed a wide-ranging agreement with the U.S. Comptroller of the Currency under which it agreed to bolster the primary capital ratio of First National Bank of Chicago from 5 to 8 per cent. First Chicago said that meeting that objective would involve raising about \$355m.  
 Mr Barry Sullivan, First Chicago's chairman, told analysts in New York that the sale of the downtown-Chicago headquarters building was one of a number of moves under consideration. He did not know, however, how much such a sale would raise and emphasized that no decision had yet been taken.  
 A number of major U.S. banks, including Crocker, Security Pacific and InterFirst, have recently sold their headquarters buildings to raise funds. Others, including BankAmerica, which like First Chicago has also been ordered to lift the primary capital ratio of its major banking subsidiary, are considering such a move.  
 Mr Sullivan repeated his earlier assertion that the huge third-quarter charge-off and \$308m loan-loss provision was a one-time event and that both provisions and earnings would return to more normal levels in the fourth quarter.  
 "Overall," he said, "we are quite confident about our future." Nevertheless, he admitted that the group had perhaps been "one step slow" in increasing the banking unit's capital base.

**Cologne Re warmly clad for frosty business spell**

**BY JONATHAN CARR IN COLOGNE**  
 A COMPANY whose turnover drops two years running might seem to have cause for embarrassment—especially if it is the oldest, and one of the most prestigious, in its field in the world. Not so the Kölnische Rückversicherung (Cologne Re), founded in 1848 with funds put up by the Oppenheim and Rothschild banks, and today one of West Germany's top reinsurance enterprises.  
 Cologne Re is drawing the bitter consequences from what its chief executive, Herr Richard Wiedemann, has described as the "earnings crisis" in the industry worldwide. Premium rates were too low in almost every major sector and there was no sign of a durable improvement.  
 Accordingly Cologne Re has been reappraising its reinsurance commitments, and chopping business ruthlessly in the biggest loss-making sectors. Gross premium income, which rose by no less than 20 per cent as recently as 1980, was down by 2.8 per cent to DM 1.5bn (\$500m) in 1983 and is heading for another fall this year.  
 That cut of 2.8 per cent is sharper than it seems at first sight. About 40 per cent of Cologne Re's premium income comes from abroad, and currency changes over the year on balance boosted the overall result in D-Mark terms.  
 Moreover, there has been a dramatic fall in individual reinsurance sectors. For example, premium income in the aviation division was down by 26.5 per cent and in transport by 17 per cent. Only life and accident reinsurance showed a rise.  
 The slimming cure has had an immediate, if so far quite modest, effect. Although the life sector was the only one to show a profit (DM 3.8m), the overall loss on reinsurance activities fell to DM 81.9m from DM 89.9m in 1982. The improvement came despite an unusually large number of big, individual claims from abroad.  
 The loss was more than covered

**Australian publisher up 34% in year**

**By Michael Thompson-Noel in Sydney**  
 THE MELBOURNE-based Herald and Weekly Times group scored a 34 per cent boost in net profit in the 12 months to September 30, from AS\$1.4m to AS\$2.7m (U.S.\$2.8m), and is making a one for five bonus share issue.  
 There was also an extraordinary profit of AS\$14.2m, mainly arising from the public floatings of Reuters.  
 The annual dividend is unchanged at 18.75 cents a share, but boosted by earnings of 34.4 cents a share, against last year's 25.7 cents per share.  
 The Herald group is one of Australia's big four media conglomerates.  
 The Herald group experienced strong second half profits growth - up 43.5 per cent against 24.6 per cent in the first half.  
 Interest paid was AS\$11.7m (AS\$10m), while depreciation was AS\$5.6m (AS\$4.4m). Tax was AS\$18.9m.  
 The passenger load factor was 73.2 per cent, up from 68 per cent a year earlier, and the highest for any quarter this year.  
 For the nine months net profit was CS\$2.6m against CS\$1.9m, on revenues of CS\$1.9m.

**Crocker completes staff reshuffle**

**BY PAUL TAYLOR IN NEW YORK**  
 MR JOHN PLACE resigned as chairman and chief executive of Crocker National, the troubled west coast banking group 57 per cent owned by Midland Bank of the UK. Midland is in the process of acquiring full control of Crocker which has reported a \$109.3m loss for the first nine months of this year.  
 Mr Place, aged 50, who became chairman of the banking group just over two years ago, is being replaced by Mr Frank Cabouet who joined Crocker from Security Pacific in March as chairman and chief executive of Crocker National Bank, the banking group's principal subsidiary, and president and chief operating officer of the bank holding company. Mr Cabouet, aged 52, will retain all his current posts.  
 The latest change completes a major management reorganisation at Crocker orchestrated by Midland and firmly consolidates Mr Cabouet's control over the San Francisco banking group.  
 Mr Place had been widely expected to leave Crocker although this has been repeatedly denied by Midland. In January this year Midland described as "entirely unfounded" speculation that Mr Place might be replaced. Since then a string of outsiders have been recruited to fill senior executive positions at the loss-making banking group.  
 Mr Place said yesterday, "Two recent developments at Crocker have resulted in my decision. Our directors have approved an agreement for Midland Bank to assume full ownership of Crocker.  
 "Further, the restructuring of Crocker's management team has been completed with the addition of Mr Jeff Morby and Mr Dick Rosenberg as vice-chairmen. As they join the talented people already at Crocker, I am confident the company has sufficient depth of management so that a separate chairman for the holding company is no longer required.  
 "I believe that Mr Cabouet has demonstrated his ability to take on this additional responsibility, and that Crocker's turnaround will proceed on schedule under his leadership." Mr Place joined Crocker in 1978 from Anaconda, where he was chairman and chief executive.

**Aircraft sale boosts Air Canada result**

**By Robert Gibbens in Montreal**  
 AIR CANADA, the national airline, sharply increased its third quarter earnings, although most of the gain came from an aircraft sale.  
 Net profit was CS\$7.8m (U.S.\$28.8m), including a CS\$14.6m gain on the equipment sale, against a profit of CS\$20.9m a year earlier. Revenues were up 13.2 per cent to CS\$723m from CS\$639m.  
 The passenger load factor was 73.2 per cent, up from 68 per cent a year earlier, and the highest for any quarter this year.  
 For the nine months net profit was CS\$22.6m against CS\$17.8m, on revenues of CS\$1.9m.



GRAEME DOW, Finance Director, Windsor. SHUNA KENNEDY, Marketing Consultant, Kensington. BRENDAN LOMAX, Publishing Executive, Windsor. TONY LAMB, Technical Director, Winkfield, Ross.

**Forum Hotels have got our priorities right.**

- Amman**  
AMRA HOTEL
- Amsterdam**  
AMERICAN HOTEL,  
VICTORIA HOTEL
- Belfast**  
FORUM HOTEL BELFAST
- Brussels**  
BRUSSELS EUROPA  
HOTEL
- Budapest**  
FORUM HOTEL
- Edinburgh**  
GEORGE HOTEL
- London**  
FORUM HOTEL LONDON
- Munich**  
MUNICH PENTA HOTEL
- Petra**  
PETRA FORUM HOTEL
- Rome**  
HOTEL DE LA VILLE
- Warsaw**  
HOTEL FORUM WARSAW
- Wiesbaden**  
FORUM HOTEL  
WIESBADEN

For reservations in any Forum Hotel, call us in London on 491 7181, or contact your nearest Forum Hotel, Inter-Continental Hotel, Pan Am Reservations office, Utell International or local travel agent.



This announcement appears as a matter of record only. OCTOBER 1984

**CSR Finance Limited**

U.S. \$350,000,000  
 Euro-Note Facility  
 Guaranteed by  
**CSR Limited**

**Managers**

Banque Indosuez	National Australia Bank Ltd.	
Credit Suisse	The Bank of Nova Scotia Group	
First Chicago Limited	Union Bank of Switzerland	
IBJ International Limited	Westpac Banking Corporation	
<b>Banque Nationale de Paris</b>		
<b>Co-Managers</b>		
Amsterdam-Rotterdam Bank N.V.	Crédit Lyonnais	
Bank of Tokyo International Limited	Kredietbank International Group	
Banque Paribas	Lloyds Bank International Limited	
<b>Sumitomo Finance International</b>		
<b>Tender Panel Members</b>		
Amro International Limited	Kredietbank S.A. Luxembourgeoise	Salomon Brothers International Limited
Bank of Tokyo International Limited	Lloyds Bank International Limited	J. Henry Schroder Wagg & Co. Limited
Banque Indosuez	Merrill Lynch Capital Markets	Sumitomo Finance International
B.N.P. International Financial Services (Hong Kong) Limited	National Australia Bank Ltd.	The Bank of Nova Scotia Group
Crédit Lyonnais	Orion Royal Bank Limited	Union Bank of Switzerland (Securities) Limited
First Chicago Limited	Paribas Limited	S.G. Warburg & Co. Ltd.
IBJ International Limited	Westpac Banking Corporation	

Arranger, Issue and Facility Agent  
**Credit Suisse First Boston Limited**

INTL. COMPANIES & FINANCE

NEW ISSUE

These Notes having been sold, this announcement appears as a matter of record only.



Union Bank of Finland Ltd

U.S. \$100,000,000

Floating Rate Subordinated Notes due 2034

Merrill Lynch Capital Markets

- Salomon Brothers International Limited
BankAmerica Capital Markets Group
Bankers Trust International Limited
Bergan Bank A/S
Daiwa Europe Limited
Fuji International Finance Limited
E. F. Hutton & Company (London) Ltd.
LTCB International Limited
Mitsubishi Trust & Banking Corporation (Europe) S.A.
Mitsui Trust Bank (Europe) S.A.
PK Christiania Bank (UK) Limited
Sanwa International Limited
Sumitomo Trust International Limited
Takunion International Bank (Europe) S.A.
Union Bank of Switzerland (Securities) Limited
Westdeutsche Landesbank Girozentrale

- Union Bank of Finland International S.A.
Bank of Tokyo International Limited
Banque Paribas
Dai-ichi Kangyo International Limited
Eskilda Securities
Hill Samuel & Co. Limited
Irving Trust International Limited
Manufacturers Hanover Limited
Mitsui Finance International Limited
Nomura International Limited
Saitama Bank (Europe) S.A.
J. Henry Schroder Wagg & Co. Limited
Swiss Bank Corporation International Limited
Tokai International Limited
S.G. Warburg & Co. Ltd.
Yamaichi International (Europe) Limited

November, 1984

Heineken Internationaal Beheer B.V.

has acquired a substantial interest in the share capital of

Sociedad Anónima EL AGUILA FABRICAS DE CERVEZA Y MALTA SPAIN

This investment was introduced by our institution and we acted on behalf of El Aguila

London & Continental Bankers Ltd.

2 Throgmorton Avenue London EC2N 2AP

November 1984

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. on 19th November 1984, U.S. \$103.38

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

NOTICE OF PREPAYMENT

The Bank of Tokyo, Ltd.

(Incorporated with limited liability in Japan) U.S. \$20,000,000 Callable Negotiable Floating Rate Dollar Certificates of Deposit due 8th January, 1986 (Series RD)

In accordance with the provisions of the Certificates, notice is hereby given that The Bank of Tokyo, Ltd. ("The Bank") will prepay the principal amount on the next interest Payment Date, 7th January, 1985, together with the interest accrued to that date.

Payment will be made against presentation and surrender of the Certificates at the Bank's London Office at 20/24 Moorgate, London EC2R 6DH.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS

PER 20 NOVEMBER 1984

Table with columns: Today, Last week, Year's High, Year's Low. Rows: US\$ Eurobonds, DM (Foreign Bond Issues), NLF (Boomer Notes), Cash Eurobonds.

Bank J. Vontobel & Co Ltd, Zurich - Tel: 010 411 488 7111

MINAS Y FERROCARRIL DE UTRILLAS, S.A.

Series Finance 35,000,000

Medium Term Loan

Guaranteed by

F.E.C.S.A. Fuerzas Eléctricas de Cataluña, S.A.

BALBOA FINANCE S.A. CITICORP BANK (SWITZERLAND)

Member of Citicorp

BANCA DELLA SVIZZERA ITALIANA CITICORP BANK (SWITZERLAND)

INTEGRA INTERNAZIONALE COOPERATIVE BANK CO. LTD. STANDARD CHARTERED BANK AG

ARAB BANK (SWITZERLAND) LTD. FLR BANK (SWITZERLAND)

NEERLANDSCHE WISSENSCHAPPELIJKE BANK N.V. (NEDERLAND)

FIRST NATIONAL BANK OF MINNEAPOLIS, MINN. BRANCH THE TRUST BANK OF AFRICA LTD. (LONDON BRANCH)

ARAB BANK

CITICORP BANK (SWITZERLAND)

CITICORP CAPITAL MARKETS GROUP

J.P. MORGAN

CSR lifts profits despite lower commodity prices

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CSR, one of Australia's biggest industrial groups, achieved an 11.5 per cent increase in net profits for the half-year to September, from A\$44.1m to A\$49.2m (U.S.\$42.3m), despite lower prices for exported commodities. The interim dividend is held at 9 cents per share on earnings up from 12.6 cents to 13.8 cents a share.

There were net extraordinary losses for the half year of A\$13.4m, including a provision for future foreign exchange losses of A\$16.7m, partially offset by asset disposals and a write-back of surplus provisions totalling A\$5.4m. As a result, net profits after tax and extraordinary items were A\$35.8m, against A\$60.2m last time, which included an extraordinary gain of A\$16.1m.

Higher earnings from building materials and Pilbara Iron, which is 68 per cent owned, more than offset a fall in profits from sugar milling and coal and losses from a number of activities including aluminium smelting and the South Blackwater coal mine. Two loss makers in the year to last March - the Mt Gunson copper mine and Thiess Petroleum - have been sold.

Malaysian bank swap approved

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN authorities have finally approved the controversial bank swap deal between Mr Daim Zaldudin, the finance minister and the Chinese-controlled Multi-Purpose Holding (MPH).

The bank swap is controversial on two counts. First, critics of MPH claim that its UMBC stake has been sold too cheaply - at 262m ringgit when some estimate its worth at over 400m ringgit.

Bank Indonesia with 30 per cent and the Knok Foundation with 19 per cent. Although the bank has only two branches at present, it is understood that it will be allowed to open at least one branch in each of Malaysia's 13 States.

Paliburg shareholders back Wyllie plan

BY DAVID DODWELL IN HONG KONG

Mr Bill Wyllie, the Australian entrepreneur who gained effective control of Regal Hotels (Holdings), the heavily indebted Hong Kong group recently, has won a protracted battle for shareholder support for a complex company reorganisation.

At the end of October, Mr Wyllie announced plans for the cancellation of interest-bearing debts of HK\$400m (US\$51m). This marked the final stage of a rescue that began in March when he bought control of the company from the main beneficiary of the assets ever held in Hong Kong (it even had a bomb scare), shareholders in Paliburg, a subsidiary of Regal, backed by seven to one a reorganisation

package expected to transform the prospects of the group. At the end of October, Mr Wyllie announced plans for the cancellation of interest-bearing debts of HK\$400m (US\$51m). This marked the final stage of a rescue that began in March when he bought control of the company from the main beneficiary of the assets ever held in Hong Kong (it even had a bomb scare), shareholders in Paliburg, a subsidiary of Regal, backed by seven to one a reorganisation

Sanko Steamship recovery delayed

By Yoko Shibata in Tokyo

SANKO STEAMSHIP, the loss-ridden shipping concern which specialises in tanker operations, has reported a Y24.2bn (\$98.8m) pre-tax deficit for the half year to September, compared with a loss of Y27.6bn in the same period of 1983 and a net deficit of Y22.1bn against Y27.5bn. Half-year sales were 6.1 per cent higher at Y126.8bn.

A three-year business reconstruction plan started this year calls for the transfer of 18 wholly-owned VLCCs, and ULCCs totalling 4.3m dwt to a newly-formed subsidiary together with accompanying debts, and an additional grace period for capital repayments on loans of Y200m. Sanko had also planned to deploy 123 new fuel-efficient bulk carriers totalling 4.4m dwt and to dispose of 123 obsolete vessels totalling 5.8m dwt over three years. However, the company has managed to reduce its fleet by only 27 vessels totalling 900,000 dwt, against this year's target of 3m dwt. Also new bulk carriers totalling 1.6m dwt have been delivered, bringing operating bottoms to 20.5m dwt up 500,000 dwt from the previous first half.

The larger than expected losses were attributed to a slump in medium and small tanker operations, and a two-month delay in the start of the new year, the company expected half-year pre-tax losses of Y12bn. Its accumulated deficit at the end of September was Y122.1bn. Sanko expects its rescue package to make a full contribution in the current half year and also foresees a recovery in the tanker market. It projects full-year pre-tax losses of Y35bn, compared with Y35.5bn in 1983-84, a net deficit of Y30bn against Y35bn and sales of Y290bn, up 17.7 per cent.

JAPANESE COMPANY RESULTS

Table of Japanese company results including DAIKYO OIL, MITSUBI OSK LINES, MITSUBI REAL ESTATE, NIPPON LIGHT METAL ALUMINIUM SMELTER, etc.

UK ECONOMIC INDICATORS

Table of UK economic indicators including ECONOMIC ACTIVITY, OUTPUT, EXTERNAL TRADE, FINANCIAL, and INFLATION.

Granville & Co. Limited

Table of Granville & Co. Limited securities including Over-the-Counter Market and various stock listings.

INTL. COMPANIES & FINANCE

# Ferinel set to take control of Boussac holding unit

BY DAVID MARSH IN PARIS

THE TANGLED affairs of Boussac-Saint-Freres, the struggling French textile group, have taken a new twist with a prospective change of control of the central Boussac holding company, the Agache-Willot textile and retailing group.

Ferinel, a property group specialising in holiday homes, has taken a 20 per cent stake in Agache-Willot under a deal concluded with the four Lille-based Willot brothers, who previously held 42 per cent of the company.

Ferinel, together with the Louis Dreyfus private banking group, has also agreed to subscribe to a FFf 400m (\$65m) capital increase to Agache-Willot.

This would give Ferinel the bare more than 50 per cent control of the holding company, reducing the Willot brothers' stake to 17 per cent.

This transaction could have a crucial bearing on the tussle with other industrial rivals over the future of Boussac.

The prospective change of control of the Agache-Willot group is designed to put the new shareholders in a position to draw up a legal settlement with banks and commercial creditors.

Both Boussac and Agache-Willot have been in the hands of the Receivers since 1981, when Boussac filed for bankruptcy with liabilities of around

FFf 5bn. Until the collapse this summer of Creusot Loire, this was France's biggest post-war business failure.

Boussac has been under Government-controlled management since spring 1982. The state Industrial Development Institute took a stake of just over 50 per cent in an interim company set up to run the concern on a temporary basis pending a legal settlement with creditors.

Quarrelling within the Government and the company over financial strategy, as well as a series of legal wrangles with the Willots, have however held up a settlement with creditors.

# Ellesse cuts work hours as demand falls

By Alan Friedman in Milan

ELLESSE, the Italian manufacturer which is one of Europe's biggest names in ski and tennis wear, is to cut its factory workers' hours by 30 per cent because of a fall in demand.

Dr Leonardo Servadio, chairman and owner of the Perugia-based clothing company, said the cuts, which will affect around 500 of the group's 1,100 employees, are part of a restructuring of Ellesse.

The company last year had consolidated sales of L137bn (\$72.7m). Exports accounted for around 60 per cent of turnover. More than a third of sales were in ski wear, half in tennis wear and the balance in shirts, pullovers and other sportswear.

Following the boom years of the 1970s, the sportswear market has, since 1979, been in severe recession. The situation has been aggravated by a too rapid expansion among manufacturers such as Ellesse.

This year Ellesse has already made 100 workers redundant.

In 1984, a year which has seen demand dropping for ski wear, factory workers were laid off for two months. Dr Servadio said sales of ski wear were down by 35 per cent in the second half.

A new agreement between Ellesse and its trade unions, signed on Monday, calls for factory hands to work 30 per cent fewer hours next year.

The company's 1983 net profits were L1.2bn. This included royalties income from licensing arrangements in South America and Japan. One bright spot for Ellesse is the U.S., where sales this year are expected to be \$15m, against \$11m in 1983.

# Asea 21% ahead at nine months

BY DAVID BROWN IN STOCKHOLM

ASEA, THE Swedish electrical engineering and electronics group, has reported a 21 per cent increase in profits before tax and appropriations to SKr 1.51bn (\$175m) from SKr 1.25bn for the first nine months ended in September. The increase resulted from higher sales and interest income.

Operating results, which were especially positive in the industrial equipment sector, rose by 12 per cent, or SKr 225m, to SKr 2.02bn, while a rise of SKr 147m in net interest income to SKr 174m brought the result before extraordinary items, taxes and appropriations to SKr 1.84bn. Exchange items will not be included and net profits will not be announced until the year-end.

However, there was a sharp decline in operating results at Flakt, the ventilation and pollution control equipment subsidiary. Earnings at Flakt dropped by SKr 23m to SKr 4m, although sales grew by SKr 1bn to SKr 6.1bn - a quarter of group sales of SKr 24.67bn.

Profitability for the whole Asea group was also hit by a shift in turnover towards less profitable trading activities rather than manufacturing, an executive said.

# Swiss National Bank to report on competitiveness

BY JOHN WICKS IN ZURICH

A WORKING party of the Swiss National Bank is to present a report to the Ministry of Finance on the competitive ability of the country as a financial centre.

Dr Fritz Leutwiler, outgoing president of the National Bank, said yesterday that the group was set up some two years ago but had recently accelerated its programme.

Dr Otto Stich, the Finance Minister, had been informed of the forthcoming report before the wave of recent complaints from Swiss bankers that Switzerland was becoming less attractive

as a turntable for international finance.

These claims were "exaggerated," said Dr Leutwiler. However, he stressed that the National Bank was prepared to talk to Dr Stich about the possibilities of gradually scrapping "prohibitive" taxes on financial transactions without a loss for the exchequer.

The National Bank has already said it would like to see a modification of the stamp duty on securities transactions. This would benefit short-term business and allow a Swiss money market to develop.

# Elf Aquitaine Norge shows record profits

By Fay Gjester in Oslo

ELF AQUITAINE Norge, operator of the Anglo-Norwegian Frigg gasfield in the North Sea, reports a record after-tax profit of Nkr 576m (\$66m) in the first half of 1984, compared with Nkr 374m in the same period last year. The profit before taxes and end-year allocations was Nkr 2.8bn, up 36 per cent. Operating income was Nkr 378m higher, at Nkr 4.5bn.

In addition to Frigg, Elf is operator of the small Heimdal gasfield, due to start production in second half 1985, and for another small Norwegian gas field, East Frigg.

Frionor, the frozen foods co-operative, incurred a loss of Nkr 6m (\$688,000) in the year to June, compared with a profit of Nkr 20.3m a year earlier. The deficit reflected losses on sales to the U.S., which is the group's largest single market, accounting for 33 per cent of total turnover.

Sales increased in value to Nkr 1,770m from Nkr 1,640m and in weight to 102,000 tonnes, (98,500). Higher exports to Comecon states and the Far East more than offset lower sales to the U.S. and the EFTA area.

# Amev lifts Bilbao group stake

BY LAURA RAUN IN AMSTERDAM

AMEV, the third largest Dutch insurance company, has raised its stake in the Bilbao group, a Spanish insurer, to 53 per cent.

Amev, based in Utrecht, previously held 42 per cent of Bilbao. It intends to exploit the growing Spanish market.

Amev, which initially acquired a 25 per cent stake in Bilbao in 1982, has no intention of immediately taking over the rest of the company, which is privately held.

In recent years, Amev has rapidly increased its foreign business. Investment and premium income from overseas accounted for 49 per cent of total income last year, up from 45 per cent in 1983. Revenues in 1983 were Fl 5bn.

# Esselte

On November 15, it was incorrectly reported that Esselte's EBS division in the U.S. would pay a 7 cent dividend per share on third-quarter profits. The correct figure is 8 cents per share.

# MANUFACTURERS HANOVER

£75,000,000  
TRUST COMPANY  
Floating Rate Subordinated  
Capital Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the first Interest Period has been fixed at 9 1/2 per cent per annum. The Coupon Amounts will be £125.24 for the £5,000 denomination and £1,252.40 for the £20,000 denomination and will be payable on 20th February, 1985, against surrender of Coupon No. 1.

Manufacturers Hanover Limited  
Agent Bank

# NOTICE OF EARLY REDEMPTION

UNION BANK OF NORWAY LTD.  
(Fellesbanken a.s.)  
(The "Company")

# FLOATING RATE CAPITAL NOTES DUE 1989

Notice is hereby given that in accordance with condition 4(b) of the terms and conditions of the notes, the company will redeem all of the outstanding notes, being U.S.\$20,000,000 nominal amount, at their principal amount on January 11, 1985 when interest on the notes will cease to accrue. Payment of principal together with payment in respect of coupon No. 8 will be made in accordance with condition 3 of the terms and conditions of the notes at the offices of any of the paying agents who continue to be as listed in the terms and conditions of the notes.

By The Chase Manhattan Bank, N.A.,  
London Principal Paying Agent

This announcement appears as a matter of record only



# Crédit Lyonnais

US\$ 225,000,000  
Floating Rate Notes due October 1996

Crédit Lyonnais  
Commerzbank Aktiengesellschaft  
Morgan Stanley International

Credit Suisse First Boston Limited  
Merrill Lynch Capital Markets  
Salomon Brothers International Limited

Amro International Limited  
BankAmerica Capital Markets Group  
Chase Manhattan Capital Markets Group  
Dai-ichi Kangyo International Limited  
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft  
Hambros Bank Limited  
Lehman Brothers International  
LTCB International Limited  
Mitsui Trust Bank (Europe) S.A.

Banco Hispano Americano, S.A.  
Bank of China, London Branch  
Chase Manhattan Limited  
Enskilda Securities Scandinaviska Enskilda Limited  
Goldman Sachs International Corp.  
IBJ International Limited  
Shearson Lehman/American Express Inc.  
Manufacturers Hanover Limited  
Morgan Guaranty Ltd  
Orion Royal Bank Limited

Banco di Roma  
Caisse des Dépôts et Consignations  
County Bank Limited  
Enskilda Securities Scandinaviska Enskilda Limited  
Kredietbank International Group  
Lloyds Bank International Limited  
Mitsubishi Finance International Limited  
Nomura International Limited  
Sanwa International Limited

October 11, 1984



# Specialists to the specialists

When you are pioneering new routes you need the best advice, the best equipment, the best team and the best research so that you can be confident that when conditions and man are stretched beyond normal limits you can be assured every contingency has been examined and tested by experts, not only in the field, but in the whole scientific involvement.

At DSM, one of Europe's leading chemical companies, we have been overcoming seemingly insurmountable problems in 120 countries for many years. Ours, too, is a demanding world where skill and innovation are at a premium. Only the very best is good enough when you are specialists to the specialists.



The DSM group with sales of more than £5 billion is made up of six divisions  
Fertiliser Division, Chemical Products Division, Polymers and Hydrocarbons Division, Resins Division, Energy Division, Plastic Products Division.

Chemicals and plastics: DSM UK Ltd., Kingfisher House, Kingfisher Walk, Redditch, Worcestershire B97 4EZ, tel. 0527-66254, telex 339861  
Fertilisers: UKF Fertilisers Ltd., Ince, Chester CH2 4LB, tel. Helshy (09282) 2777, telex 627407  
To find out how much more we do, write to DSM, Public Relations and Publicity Department, PO Box 65, 8400 AB Heerlen, The Netherlands.

# BARCLAYS HOME MORTGAGE RATE

Barclays Bank PLC announces to existing borrowers that from the close of business on 3rd December 1984 Barclays Home Mortgage Rate will be decreased from 12 1/2% to

# 12 1/8%

per annum



Published by Barclays Bank PLC, Reg. No. 48839, Reg. Office 54 Lombard Street, London EC3P 3AH.

INTL. COMPANIES & FINANCE

France takes cue from U.S. as risk capital business booms

BY DAVID MARSH IN PARIS

"IN FRANCE," with the development of risk capital funds, people have always said that too much money is chasing too few projects," says M. Bernard Simon-Barboux, assistant managing director responsible for corporate finance at the nationalised Banque Indosuez. "In fact it's not true—the abundance of funds makes the projects possible."

He is talking about the change to French attitudes on channeling finance into small businesses. Unashamedly based on risk capital techniques imported from the U.S., the new approach has been reflected this year by an explosion of efforts by French banks and investment institutions.

Along with several foreign entrants, they have been rushing to establish funding schemes for entrepreneurs setting up or expanding in high growth industrial and service industries.

Banque Indosuez, together with its parent company, the Compagnie Financière de Suez group, has in recent months launched four separate risk capital funding schemes to support companies in France, South East Asia and the U.S.

The idea, according to M. Simon-Barboux, is to establish a global network of venture capital schemes facilitating international technology transfers—for instance, European companies wishing to start joint ventures with partners in the Far East, or Californian groups wanting to start high-tech operations in Europe.

The Suez group is actively seeking a more industrially orientated approach, in line with the belief of the new chairman, M. Jean Peyretrède, that it has in the past not contributed enough to strengthening the country's corporate fabric.

It is clearly following in the footsteps of the other state-owned French financial group, Paribas, which set up a San Francisco-based U.S. risk capital fund 2½ years ago and has also been making efforts to strengthen such ventures in France.

Other institutions are also jumping on to the French venture capital bandwagon.

M. Gerard Tardy, in charge of a new French risk capital group just set up by Citicorp of the U.S., is looking to channel around \$20m (FFr 180m) into ventures in France over the next

four years. "This is an emerging market—I am confident that it will expand," he says. "There is a lot of money around, and very few professionals."

Citicorp, which has been in the U.S. risk capital business for 20 years and started a successful UK operation in 1980, is examining two or three French dossiers a week involving businesses in fields ranging from computer distribution to gastronomic fast food.

It aims to build up slowly with just one or two investments over the next 12 months—at an

of interest paid on business start-up loans, while fiscal and legal requirements on bought-out companies have been relaxed.

Government officials say that buyouts are being studied as a possible way of spinning-off some profitable parts of the bankrupt Croust-Loire engineering group.

A Ffr 40m management buy-out fund, Cofidic, started earlier this year by Banque Paribas and Credit du Nord, has already put into effect around half a dozen operations, and is

financial expertise—plus the fact that his group is not state controlled—puts it in a "unique" position to benefit from the growing French venture capital market.

The Suez group, as a newcomer to the venture capital field, has put emphasis on collaboration, both in terms of expertise and in fund-raising.

Banque Indosuez's recently announced U.S. venture, Suez Technology Fund, is being managed in co-operation with Sequoia, the Palo Alto-based risk capital concern.

Charterhouse of the UK is a partner in Indosuez's domestic management buy-out fund, set up also with Credit National and Banque Industrielle et Mobiliere Privée. Liquidity for both these two and the third, South-East Asian venture, is being provided, along with the Suez group itself, by French and foreign institutional investors and some industrial companies.

French institutions such as insurance groups, pension funds and investment arms of large companies now consider that 1 per cent to 2 per cent of their portfolio should be placed directly in technology-linked business ventures, says M. Simon-Barboux.

The \$30m U.S. fund is already more than two-thirds subscribed, with some of the money coming from two of Indosuez's wealthy Hong Kong-based clients. Two projects involving help for high technology U.S. ventures are already under consideration, even though the fund has not yet formally started operating, he points out.

Another deal involving a French group linking up with a South Korean industrial company, backed by Indosuez's South East Asia fund, is also in hand.

Despite the activity, one feature of the French venture capital landscape has not changed: state-controlled institutions—especially the traditionally publicly-aided insurance companies—remain discreet about their links with internationally-oriented capital funds.

Amid the increasingly liberal economic atmosphere in France these days, they are anxious not to attract criticism from Left-wing politicians, especially the Communist party, about placing funds in foreign investments.



M. Bernard Simon-Barboux: "The abundance of funds makes projects possible"

average Ffr 5m a time—but to accelerate thereafter, benefiting from exchanges of information with other European risk capital ventures being set up in West Germany and Italy.

A new focus for French banks is the promotion of management buyouts. This form of entrepreneurial activity has been neglected in France up to now. But it could hold the key for passing control to management when a French company owner dies or quits his business—a common cause of bankruptcy in France—or for spinning off parts of large corporations to small, motivated groups of managers.

Although the moves, according to venture capital experts, do not go far enough, the environment for management buyouts has been improved by legislative changes put into effect this summer. As a result, managers can claim personal tax credits for up to Ffr 100,000

studying 30 to 40 dossiers. Some include spin-offs from nationalised companies such as the Compagnie Générale d'Electricité group. "There is a lot of demand," says M. David Dautresme, the Credit du Nord chairman.

Investors in industry (SI), the UK financial group owned by nine London and Scottish banks and the Bank of England, which set up a French subsidiary in 1982, made several investments in French companies in the first half of 1984. The average stake is Ffr 3.5m.

Examples include taking of a 15 per cent stake in a small printing company, Imprim, and buying a 25 per cent share in a food concern, Comed, to boost business development, particularly links with British distributors.

M. Michel Biegala, managing director of SI's French operations, believes Anglo-Saxon

This announcement appears as a matter of record only. October, 1984

NEW ISSUE



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Canadian \$75,000,000  
12½% Canadian Dollar Notes of 1984, due October 25, 1991  
ISSUE PRICE 99% PER CENT.

Daiwa Securities Co. Ltd.

- Abu Dhabi Investment Company
- Bangkok Bank Limited
- The Development Bank of Singapore Limited
- IBJ Asia Limited
- KDB International (Singapore) Ltd.
- LTCB Asia Limited
- Overseas Union Bank Limited
- United Merchant Bank Limited
- Australia and New Zealand Banking Group Limited
- BOT International (H.K.) Limited
- Fuji International Finance (HK) Limited
- Jardine Fleming International Limited
- Kuwait Investment Company (S.A.K.)
- The National Commercial Bank (Saudi Arabia)
- The Sumitomo Trust Finance (H.K.) Limited
- Yasuda Trust and Finance (Hong Kong) Ltd.



TransCanada Pipelines

Third quarter report to shareholders  
September 30, 1984

**Consolidated Income**  
(rounded)

	Three months ended September 30, 1984		Same months ended September 30, 1983	
	1984	1983	1984	1983
Revenues	\$624.3	\$577.2	\$5,129.9	\$2,414.5
Costs and expenses				
Cost of gas sold	668.9	538.7	2,332.2	1,697.2
Transmission, operating and general	134.2	111.0	432.2	373.1
Income from investments	78.1	147.7	2,764.4	2,070.5
Other income				
Pipelines	22.2	20.9	65.1	62.9
Natural resources	12.9	7	26.7	6.6
Other	21.2	3.9	69.2	11.1
Other income	56.3	27.7	141.6	86.6
Other income				
Allowance for bad debt, doubtful accounts and interest in U.S.	5	11	4.2	4.4
Other	3.0	3.1	8.3	2.4
Other	3.5	2.2	10.5	9.6
Financial charges				
Interest on U.S.	92.1	77.6	267.2	214.7
Other financial charges (net)	5.5	11.2	10.6	111.7
Income taxes — current and deferred	97.6	74.4	277.8	211.0
Net income	19.3	25.0	57.0	68.7
Provision for deferred income taxes	72.1	67.7	182.2	160.7
Net income applicable to common shares	\$ 60.8	\$ 48.4	\$ 162.0	\$ 142.5
Net income per common share (Note 8)	\$ 0.63	\$ 0.74	\$ 1.75	\$ 1.21
Average number of common shares outstanding (Note 9)			92,473,796	89,784,120

**Consolidated Source of Funds for Capital Expenditures**  
(rounded)

	Nine months ended September 30, 1984		Same months ended September 30, 1983	
	1984	1983	1984	1983
Funds generated				
Funds generated by operations and equity investments	\$ 315.4	\$ 278.8		
Less: Funds generated by unincorporated joint ventures	(84.9)	(54.4)		
Funds generated by operations	230.5	224.4		
Funds received from take-or-pay financing	38.8	24.7		
Less: Dividends on preferred and common shares	(57.8)	(73.1)		
Reduction of long-term debt	(80.1)	(134.8)		
Net funds generated	75.4	42.2		
Funds from external financing				
New financing (net)	245.6	209.9		
Dividend reinvestment plan	42.1	5.0		
Funds from other sources (net)				
Increase in working capital	(121.8)	(118.5)		
Deferred charges and other	(3.2)	30.7		
Funds available for capital expenditures	\$ 238.5	\$ 165.3		
Capital expenditures				
Plant, property and equipment	\$ 28.1	\$ 59.1		
Investments — pipelines	1.1	6.6		
— natural resources	184.8	96.6		
Payments on future gas supply	(3.8)	—		
Total capital expenditures	\$ 238.5	\$ 165.3		

**Consolidated Financial Position**  
(rounded)

	September 30, 1984		December 31, 1983	
	1984	1983	1984	1983
Current assets	\$1,292.2	\$ 875.5		
Payments on future gas supply	39.4	91.0		
Investments — pipelines, natural resources	2,692.4	1,284.1		
Plant, property and equipment (net) and other assets	2,724.4	3,205.9		
Total	\$7,088.4	\$5,056.5		
Current liabilities	\$1,268.5	\$1,013.7		
Long-term debt	2,585.4	2,219.0		
Deferred income taxes	40.4	377.8		
Preferred shares	463.3	344.1		
Common shareholders' equity	2,269.0	1,009.9		
Total	\$7,088.4	\$5,056.5		

Note 1: The results of operations for the three months and nine months ended September 30, 1984 and 1983 are on an accrual basis. The results for the same periods for 1983 are on a cash basis.

Note 2: Change in Accounting Policy — Foreign Currency Translation — In December 1983, the Company changed its accounting policy with respect to foreign currency translation prospectively, from January 1, 1983 to September 30, 1983, with the recommendation of the Canadian Institute of Chartered Accountants. This change affects the method of translating financial statements of foreign operations and of recognizing unrealized foreign exchange gains and losses related thereby. The impact of the change on net income for the three and nine months ended September 30, 1984 was not material.

Note 3: All common share accounts and per share data reflect the two-for-one share split approved by the Company's shareholders on February 6, 1984.

Net income applicable to common shares for the first nine months of 1984 increased by 21.4% to \$162.0 million compared to \$133.5 million for the same period in 1983. Earnings per common share increased by 17.4% to \$1.75 per share compared to \$1.49 for the same period last year. Funds generated by operations and investments increased by 14.2% to \$19.4 million for the first nine months, up from \$27.8 million for the first nine months of 1983.

Utility  
Gas volumes for the nine months ended September 30, 1984 increased by 21.1% over the comparable period in 1983. Domestic volumes have increased by 14.1% while export volumes have increased by 56.5%.

Following new federal government

pricing guidelines announced during the summer, the Company has renegotiated pricing provisions in its contracts with two United States customers and is actively pursuing others. The Company feels that these agreements are in line with the new federal policies and will increase TransCanada's sales to these customers. Regulatory decisions in Canada and the United States are pending.

In its submission to the National Energy Board regarding a hearing to examine the methods used to set TransCanada's tolls, the Company has in large measure proposed retention of the existing methodology. However, we are asking the Board to consider an incentive rate of return. This hearing will also deal with appropriate toll methodology for our proposed new facilities to move new gas exports to the

United States.

Oil and Gas  
Sales of oil and natural gas for the nine months ended September 30, 1984 continue to show a significant improvement over the same period of 1983. Foreign sales in the third quarter were enhanced by initial crude sales from the Lalang Field in Indonesia and the inclusion in the United States of results relating to the acquisition of the assets and operations of Wessely Energy Corporation effective July 1, 1984.

In western Canada, during the nine month period, the Company participated in the drilling of 889 exploratory and development wells, an increase of 273 wells over the comparable period in 1983. In the United States, the Company has

participated in the drilling of 82 exploratory and development wells compared to 15 wells drilled for the first nine months of 1983.

In the third quarter, the Company participated in the drilling of a delineation well in each of two discoveries, which were previously reported to you, the Bodalla South oil discovery in Australia and the "J" oil field discovery in the Malacca Strait contract area.

Also in the third quarter the Company participated in drilling two exploratory wells in the North Sea. The Q14-C well was drilled in the Dutch sector and was abandoned after testing formation water. In the British sector the Company participated in a gas and condensate discovery drilled in Block 22/19, in which it has a 15.66% working interest. A combined stabilized flow

rate of 35 million cubic feet of gas per day and 3,900 barrels of condensate was established.

Corporate  
I am pleased to announce that Mr. R.F. Sim has been named Corporate Secretary in addition to his responsibilities as Vice-President, Corporate Taxation. Mr. Sim replaces Mr. D.M. Johnston who passed away on June 10.

President and Chief Executive Officer  
October 30, 1984, Toronto, Canada  
For further information write:  
Director, Investor Relations  
P.O. Box 54, Commerce Court West  
Toronto, Ontario M5L 1C2  
Telephone: (416) 969-2400

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Lazard Brothers Currency Reserve Fund Limited ("the Fund"). The Participating Redeemable Preference Shares of £0.01 each in the capital of the Fund ("Participating Shares") are offered for subscription on the basis of the information and representations contained in this document. All other information given or representations made by any person must be regarded as unauthorised.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

A copy of this prospectus, having attached thereto copies of the contracts and the Auditors' consent referred to respectively in paragraphs 6 and 9 of Appendix D, has been delivered to the Registrar of Companies in England and Wales for registration.

Application will be made to the Council of The Stock Exchange for all the Participating Shares, issued and available to be issued, to be admitted to the Official List.

The consent of the Advisory and Finance Committee of the States of Guernsey under The Control of Borrowing (Borrowing of Guernsey) Ordinances 1959 to 1976 has been obtained for the issue of up to 19,000,000 Participating Shares. It must be distinctly understood that in giving its consent the Committee does not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

The distribution of this prospectus and the offering of Participating Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this prospectus and any person wishing to make an application for Participating Shares pursuant to this prospectus to inform themselves and to observe all applicable laws and regulations of any relevant jurisdiction.

This prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person in whom it is unlawful to make such offer or solicitation. In particular, the Participating Shares have not been registered under the United States Securities Act of 1933 and, except to a placement by the Fund that does not involve a public offering, may not be directly or indirectly offered, sold or delivered in the United States or to or for the benefit of US persons, or to others purchasing the Participating Shares for re-offering, re-sale or delivery directly or indirectly in the United States, or to or for the benefit of any such persons. No application for any Participating Shares pursuant to the offer contained in this prospectus will be accepted from any person who is unable to make a declaration stating that such person is not a US person, that such person is not acquiring those Shares for the purpose of re-sale to a US person and that, upon the registration of those Participating Shares in the relevant name or names, no US person will be interested in those Shares.

For the purposes of this prospectus and the accompanying application form, "United States" means the United States of America, each state thereof, its territories and possessions and all areas subject to its jurisdiction; and "US person" means a national or resident of the United States, a partnership or corporation created or organised in or under the laws of the United States or any political sub-division thereof or an estate or trust (other than an estate or trust the income of which from sources outside the United States is not effectively connected with the conduct of trade or business within the United States and is not included for purposes of computing United States federal income tax).

This prospectus shall not constitute an invitation to the public in Guernsey, Alderney or Herin to subscribe for any of the Participating Shares. No application for any Participating Shares will be accepted from any person who is unable to make a statement that he is not resident in Guernsey, Alderney or Herin for the purposes of liability to Guernsey income tax and is not applying for those Shares as nominee for any such person.

Statements made in this prospectus are based on the law and practice currently in force in Guernsey and the United Kingdom, and are subject to change thereina.

20 November 1984

# Lazard Brothers Currency Reserve Fund Limited

(A company incorporated with limited liability in Guernsey on 15 November 1984 under the provisions of the Companies (Guernsey) Laws, 1908 to 1973)

Initial offer for subscription of up to 19,000,000 Participating Redeemable Preference Shares of £0.01 each of the following classes and at the following prices payable in full on application:

Class of Participating Shares	Subscription Price per Participating Share	Share Capital	
Sterling Shares	£10	Authorised	Nominal Value
United States dollar Shares	US\$10	10,000	Management Shares of £1 each £10,000
Japanese yen Shares	Y3,000	19,000,000	Unclassified Shares of £0.01 each £190,000
Deutschmark Shares	DM40		
Swiss franc Shares	SwFr30		
French franc Shares	FFr100		£200,000

The subscription lists for this offer of Participating Shares will open at 10.00 am Guernsey time on 30 November 1984 and will close not later than 5.00 pm on the same day. Participating Shares will be allotted to applicants on 3 December 1984. In the event that the amount raised by the issue of Participating Shares pursuant to this offer is less than £1,000,000 or its equivalent (see paragraph 8 of Appendix D) all application monies will be returned to applicants at their risk and will be posted not later than 5 December 1984.

**Indebtedness**  
At the close of business on 19 November 1984 the Fund did not have any debentures, loan capital (including term loans) outstanding or created but unissued nor any other borrowings, mortgages, charges or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire-purchase commitments, guarantees or any other material contingent liabilities.

## LAZARD BROTHERS CURRENCY FUND LIMITED

### Directors

**DOUGLAS HAIG BUSHELL FIB** (Chairman)  
Lower Hall, Rue de la Pompe, Auges, Trinity, Jersey, Channel Islands  
Managing Director, Lazard Brothers & Co. (Jersey) Limited and Lazard Brothers & Co. (Guernsey) Limited

**RUPERT ARTHUR REES EVANS**  
1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands  
Advocate of The Royal Court of Guernsey and a Partner of Ozeanne van Leuven & Perrot

**PETER TIMOTHY HART**  
Le Tapis, Clos Royale, Grosville, Jersey, Channel Islands  
Director, Lazard Securities (Jersey) Limited and Lazard Brothers Fund Managers (Channel Islands) Limited

**GORDON KIRK JOHNS**  
58 Station Road, Harpenden, Hertfordshire AL5 4TL, United Kingdom  
Manager, Lazard Securities Limited

**CHRISTOPHER BRUNTON MELLISH**  
Thunbridge Hill, Ware, Hertfordshire SG12 0UR, United Kingdom  
Managing Director, Lazard Brothers & Co. Limited, Joint Managing Director, Lazard Securities Limited

**LUCAS HENDRICK WURFBAIN**  
Torenlaan 49, Laren, Holland  
Managing Director, Pierson, Holding & Pierson NV

### Administration

**Registered Office**  
16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands  
**Manager, Secretary and Registrar**  
Lazard Brothers Fund Managers (Channel Islands) Limited  
16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands  
Telephone Guernsey 21367, Telex 4191643

**Investment Adviser**  
Lazard Securities (Jersey) Limited  
2-6 Church Street, St. Helier, Jersey, Channel Islands  
Telephone Jersey 37361, Telex 4192383

**Custodian and Bankers**  
Lazard Brothers & Co. (Guernsey) Limited  
16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands  
Telephone Guernsey 21367, Telex 4191643

**Auditors**  
Coopers & Lybrand, Chartered Accountants  
Abacus Chambers, Smith Street, St. Peter Port, Guernsey, Channel Islands

**Stockbrokers**  
Hoare Covent Limited  
Heron House, High Holborn, London WC1V 7PB, United Kingdom

**Legal Advisers**  
**In Guernsey:**  
Ozeanne van Leuven & Perrot, Advocates  
PO Box 186, 1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands  
**In England:**  
Freshfields, Solicitors  
Gimball House, 25 Newgate Street, London EC1A 7LH, United Kingdom

## THE FUND

The Fund was incorporated with limited liability in Guernsey on 15 November 1984. It will be managed and resident in Guernsey. It is an open-ended investment company and will operate in a similar way to a unit trust, so that on each Subscription Day Participating Shares may be issued and redeemed at prices based on their underlying net asset value. Participating Shares being offered may be designated in any one of the currencies listed below. Shares designated in a particular currency form a separate class of Participating Shares. A separate currency fund will be established and maintained for each class of Participating Shares (see further below).

### Objectives

The Fund aims to provide investors with a return based on money market rates, a high degree of capital protection and ready availability of funds. The income and profits derived from the Fund's investments will be accumulated within the Fund and will be reflected in the value of the Participating Shares. Investors have a choice of currencies in which to invest with the ability to transfer between currencies by converting into different classes of Participating Shares.

### Investment Policy

The Fund will make deposits and invest in short term instruments such as certificates of deposit, bank acceptances, short term treasury bills, floating rate notes, prime quality corporate bonds, and bonds and notes issued by governments and their agencies. Each of the Fund's investments will have a maturity of not more than one year and will be denominated in the currency in which the relevant Participating Shares are designated.

## PRINCIPAL FEATURES

**Structure**  
The Fund is an open-ended investment company registered and managed in Guernsey.

**Objective**  
The Fund aims to provide returns for investors based on money market rates. Income and gains will be accumulated within the Fund and reflected in the value of the Participating Shares.

**Classes of Participating Shares and currencies**  
There are six different classes of Participating Shares, one class for each of the currencies listed above. Switching between currencies is available.

**Investment policy**  
The Fund's policy will be to invest in deposits and securities with maturities of twelve months or less.

**Subscription and redemption of Participating Shares**  
Participating Shares may generally be subscribed and redeemed on Thursday in each week.

**Share prices and valuations**  
The subscription price and redemption price for Participating Shares will be based on the value of the net assets of the relevant currency fund.

**Income and distributions**  
Income will be rolled up within each currency fund and will not be distributed by way of dividend.

**Charges**  
Management fees at the rate of 1/2 per cent. per annum and custodian fees at the rate of 1/4 per cent. per annum of the net asset value of the Fund will be payable. No initial charge will be made on the issue of Participating Shares other than in respect of any rounding adjustment.

**Taxation**  
United Kingdom resident investors will generally have any gain realised on the redemption or sale of Participating Shares taxed as income. Switching between currencies should not give rise to any income tax or capital gains tax charge (see below).

### Currency Funds

A separate currency fund will be established for each class of Participating Shares and will be maintained in the currency in which that class of Shares is designated. Each currency fund will be managed separately and independently.

The assets, liabilities, income and expenses allocated to each class of Participating Shares will be applied to the currency fund established for that class. Liabilities of the Fund will generally be allocated to the currency fund to which they relate. If they do not relate to any particular currency fund, they will be allocated between all the currency funds in such manner as the Directors deem to be equitable (for further details see Appendix A).

The Directors have authorised the issue of Participating Shares designated in sterling, US dollars, Japanese yen, deutschmarks, Swiss francs and French francs. However, the Directors may, at their discretion, authorise the issue of Participating Shares designated in other currencies.

Subscription and redemption monies in respect of Participating Shares will be payable in the currency in which the Participating Shares are designated, except for Participating Shares designated in Japanese yen. However, at the request and cost of investors, Lazard Brothers & Co. (Guernsey) Limited will be prepared to convert subscription monies tendered in a different currency into the currency in which the Participating Shares applied for are designated, and to convert redemption proceeds from the currency in which Participating Shares redeemed are designated into a different currency. The subscription and redemption monies in respect of the Japanese yen class of Participating Shares cannot be paid in yen but will be paid in some other currency acceptable to Lazard Brothers Fund Managers (Channel Islands) Limited ("the Manager"). The deposits and securities held for the Japanese yen currency fund will, however, be denominated in yen.

There will be no currency risk within any one currency fund. However, if an investor chooses to invest in Participating Shares designated in a currency other than his own, he will be accepting a currency risk.

### Income

The Directors do not intend that dividends will be declared in respect of any class of Participating Shares. All income will be accumulated in the appropriate currency fund and will be reflected in the net asset value of the Participating Shares.

### Directors of the Fund

**Douglas Haig Bushell FIB** (Chairman) (aged 56)  
is Managing Director of both Lazard Brothers & Co. (Jersey) Limited and Lazard Brothers & Co. (Guernsey) Limited.

**Rupert Arthur Rees Evans** (aged 46)  
is an Advocate of The Royal Court of Guernsey and a Partner of Ozeanne van Leuven & Perrot.

**Peter Timothy Hart** (aged 33)  
is a Director of Lazard Securities (Jersey) Limited, Lazard Brothers Fund Managers (Channel Islands) Limited, Lazard Brothers Sterling Reserve Fund Limited, Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

**Gordon Kirk Johns** (aged 36)  
is a Manager of Lazard Securities Limited. He is a Director of Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

**Christopher Brunton Mellish** (aged 48)  
is a Managing Director of Lazard Brothers & Co. Limited and Joint Managing Director of Lazard Securities Limited. He is a Director of Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

**Lucas Hendrick Wurfbain** (aged 50)  
is Managing Director of Pierson, Holding & Pierson NV and a Director of Lazard Brothers Sterling Reserve Fund Limited and a number of other investment companies.

### Procedure for Subscription

Applications for Participating Shares should be made on the application form provided at the end of this prospectus. The procedures to be followed and the minimum investment in any one class of Participating Shares for which applications will be accepted are set out on the application form.

### Conversion of Participating Shares

Holders of Participating Shares of a particular class will be entitled to convert some or all of those Shares into Participating Shares of another class. Conversion may normally take place on any Subscription Day. A shareholder who wishes to convert should notify the Manager, complete the conversion notice on the back of his share certificate(s), and forward the certificate(s) to the Manager so as to arrive by 3.00 pm Guernsey time on the business day before the Subscription Day on which the conversion is to be effected. New share certificates will be posted within twenty-eight days after the Subscription Day on which conversion takes place at the converting shareholder's risk, provided that the Manager has received the duly completed certificate(s) in respect of the Participating Shares being converted. The implementation of the conversion will normally take place on the Subscription Day following the business day on which a conversion request is notified to the Manager and will not be delayed pending receipt of the old certificate(s) duly completed.

Conversion takes place by reference to the value of Participating Shares of the relevant class in accordance with the formula set out in Appendix A.

The Manager has been advised by United Kingdom tax counsel that the conversion of Participating Shares of one class into Participating Shares of a different class will not give rise to any charge to United Kingdom income tax or capital gains tax.

The right to convert is conditional on there being no suspension of the valuation of the net asset value of the currency fund established for the Participating Shares of the class being converted or into which conversion is to be made, on all relevant foreign exchange markets being open, and on there being sufficient unissued share capital available to implement the requested conversion. The Directors will seek to ensure that there is sufficient unissued share capital for this purpose.

### Redemption of Participating Shares

Participating Shares of any class may, except where there is a suspension of the valuation of the net assets of the currency fund established for that class (see below), be redeemed on any Subscription Day at the redemption price ruling on that day. The Manager may elect to purchase at a price not less than the redemption price any Participating Shares presented for redemption.

The redemption price for a Participating Share of a particular class on a Subscription Day is determined by assessing the value of the net assets of the currency fund established for that class on the Valuation Day immediately preceding that Subscription Day, deducting a provision for duties and charges which would be payable on the realisation of all the assets comprised in that currency fund, and dividing the amount so ascertained by the total number of Participating Shares of that class in issue and deemed to be in issue. The resulting figure is adjusted downwards to the nearest whole unit of currency (as defined in the articles of association of the Fund). The amount necessary to effect such downward adjustment is payable to the Manager for its absolute use and benefit.

In order to qualify for redemption on a particular Subscription Day, instructions should be received not later than 3.00 pm Guernsey time on the immediately preceding business day. Requests for redemption received late may be held over until the next Subscription Day. To redeem all or part of his holding of Participating Shares, a shareholder should complete the redemption request form on the back of the relevant share certificate(s) and send the certificate(s) to the Manager.

Requests for redemption of Participating Shares of a particular class once made may be withdrawn only in the event of a suspension of the valuation of the net asset value of the currency fund established for Participating Shares of that class.

Any amount payable to a shareholder on the redemption of Participating Shares of a particular class will be paid in the currency in which those Shares are designated, except in the case of yen Shares (see above). However, if an investor wishes to receive redemption proceeds in a different currency, Lazard Brothers & Co. (Guernsey) Limited will be prepared to convert redemption proceeds into a different currency at the request and cost of the investor. Such amounts will be paid by cheque and will be posted to the shareholder (or for amounts in excess of £10,000 or equivalent cable or telexed to a bank at the shareholder's request and expense) within five business days after the date of the date on which the redemption (or purchase) takes effect and the date of receipt of a duly endorsed certificate for the Participating Shares to be redeemed or purchased.

# Lazard Brothers Currency Reserve Fund Limited

The Fund is not bound to redeem on any one Subscription Day more than one quarter of the total number of Participating Shares of any class then in issue or deemed to be in issue.

If at any time after the third anniversary of the date of incorporation of the Fund the aggregate amount of the values of the net assets of each currency fund on each Valuation Day within a period of eight consecutive weeks is less than £2,500,000 or equivalent, the Fund may within eight weeks of the expiry of that eight week period give four weeks notice (expiring on a Subscription Day) to all holders of Participating Shares that it will redeem on that Subscription Day all (but not some) of the Participating Shares not previously redeemed at the redemption prices ruling on that day.

If at any time the net asset value of the currency fund established for any particular class of Participating Shares on each Valuation Day within a period of eight consecutive weeks is less than £2,500,000 or equivalent, the Fund may within eight weeks of the expiry of that eight week period give four weeks notice expiring on a Subscription Day to all holders of Participating Shares of that class that it will redeem on that Subscription Day all (but not some) of the Participating Shares of that class not previously redeemed at the redemption price ruling on that day. Any such notice given by the Fund will not prejudice the rights of holders of the Participating Shares of the class affected by the notice to convert their shares into Participating Shares of a different class on or before that Subscription Day.

## Subscription and Valuation Days

Subscription Days will normally be every Thursday or if that day is not a business day the next following business day or such other day as may from time to time be determined by the Directors. The first Subscription Day after the initial issue of Participating Shares will be 6 December 1984.

After the initial issue of Participating Shares, the net asset value of each currency fund will be valued on each Valuation Day which will normally be the business day immediately preceding the day before each Subscription Day. However, the Directors may suspend valuation of the net assets of any currency fund if, in their opinion, it is not reasonably practicable for the Fund to dispose of investments attributable to that currency fund or fairly to determine the value of net assets of that currency fund, if a breakdown occurs in any of the means normally employed to ascertain such value, or if the remittance of funds which will or may be involved in the realisation of, or in payment for, any investments or in the issue, sale or redemption of Participating Shares cannot be carried out without undue delay or at normal rates of exchange.

## Valuations

For the purpose of calculating the net asset value of a currency fund, deposits will be valued at cost plus interest accrued to the relevant Valuation Day. Treasury bills, certificates of deposit and other similar securities will be valued at noon on the relevant Valuation Day in accordance with normal market practice. The value of the assets comprised within a currency fund will be calculated at offer prices for the purposes of calculating the price at which Participating Shares are to be issued and at bid prices for the purposes of calculating the price at which Participating Shares are to be redeemed. Quoted investments will be valued using the bid and offer prices at the official close of the relevant stock exchange on the Valuation Day in question.

## Management and Administration

**The Manager, Secretary and Registrar**  
Lazard Brothers Fund Managers (Channel Islands) Limited will manage the business of the Fund. The Manager will also act as secretary and registrar of the Fund.

The Manager is a wholly-owned subsidiary of Lazard Brothers & Co., (Guernsey) Limited ("LBC"), a registered Guernsey bank and a wholly-owned indirect subsidiary of Lazard Brothers & Co., Limited, a major London Accepting House.

### Investment Adviser

Lazard Securities (Jersey) Limited ("LSJ") has been appointed investment adviser to the Manager and will provide investment policy guidance and advice. LSJ is a wholly-owned subsidiary of Lazard Brothers & Co., (Jersey) Limited which is a registered Jersey bank and also a wholly-owned indirect subsidiary of Lazard Brothers & Co., Limited.

LSJ manages Lazard International Income Fund Limited, Lazard Brothers Sterling Reserve Fund Limited, Lazard Brothers International Capital Fund (Cayman) Limited, Lazard Brothers International Asset Fund Limited, Lazard Brothers Far Eastern Fund Limited, Lazard Brothers North American Fund Limited, The Capital Growth Bond Fund Limited, The Diversified Bond Fund Limited, The Japan International Fund Limited and other portfolios, which together have total investments whose value exceeds £35440 million.

### Custodian

Lazard Brothers & Co., (Guernsey) Limited will act as custodian of the assets of the Fund. All the assets of the Fund will be held by LBG or to its order. LBG may appoint sub-custodians, nominees and agents to perform its duties or discretions provided that LBG remains liable for any acts or omissions of, or loss directly or indirectly caused by, any such persons. Lazard Brothers & Co., Limited will act as nominee of LBG to hold certain of the Fund's investments to the order of LBG.

The Manager, LSJ and LBG were appointed under the agreements referred to in paragraph 6 of Appendix D.

## Charges and Fees

### The Manager

In respect of its services as manager, secretary and registrar, the Manager will receive from the Fund a monthly fee equal to the aggregate of one fifth second part of one half of one per cent. of the values of the net assets of the Fund as at each Valuation Day during the relevant month as determined for the purpose of calculating the subscription price of Participating Shares.

The Manager will make no initial charge to investors in respect of Participating Shares to be allotted on 5 December 1984. On subsequent issues it may retain for its own benefit the amount necessary to round up the subscription price of each Participating Share to the nearest whole unit of currency as defined in the Fund's articles of association.

The investment adviser, LSJ, will receive fees which will not be borne by the Fund but will be paid by the Manager.

### The Custodian

In respect of its services as custodian, LBG will receive from the Fund a monthly fee of an amount equal to one fourth hundred and sixteenth part of one per cent. of the values of the net assets of the Fund (calculated as in the case of the Manager's fee) as at each Valuation Day during the relevant month. LBG will meet any expenses or fees of its sub-custodians, nominees and agents, including Lazard Brothers & Co., Limited, out of its remuneration.

### Other Expenses

The Fund will be responsible for certain expenses as specified in the management agreement and the custodian agreement such as audit fees and stamp and other duties and charges incurred on the acquisition or realisation of investments. In addition, the Fund will pay its formation expenses and all expenses in connection with the initial issue of Participating Shares and the obtaining of the listing of the Participating Shares on The Stock Exchange, London. Those expenses will be amortised over a period of five years from the date of the Fund's commencement of business and charged against income. The Manager and LBG will meet all other expenses incurred by them in connection with the provision of their services.

## Taxation

It is intended that the Fund will be resident in Guernsey. The Administration of Income Tax in Guernsey has confirmed that, on the basis of the proposed operations of the Fund as described in this prospectus, the Fund will be eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempted Companies and Trusts) (Guernsey) Ordinance 1984. The Fund will seek such exemption which will be granted on payment of an initial fee of £1,300 and, thereafter, an annual fee of £1,300.

Guernsey does not levy taxes upon capital inheritances, capital gains, gifts or sales. No stamp duty will be levied in Guernsey on the transfer, conversion or redemption of Participating Shares. No Guernsey tax will be withheld in respect of the payment of redemption proceeds.

The investments of the Fund will be made in such a way as to seek to avoid or minimise taxes deductible at source or withheld from any income or capital receipts.

The United Kingdom Finance Act 1984 contains provisions concerning taxation in relation to "offshore funds". The broad effect of these provisions is that, where an investor who is subject to them disposes of an interest in a fund that is affected by them, any gain arising on the disposal will be treated as an "offshore income gain" and will be chargeable to income tax or corporation tax as an income receipt. The new provisions apply to persons who are resident or ordinarily resident in the United Kingdom and to non-United Kingdom resident persons whose interest in an offshore fund is held in connection with a branch or agency carrying on a trade in the United Kingdom. It is considered that the Fund will be an "offshore fund" within the meaning of the relevant provisions in the Finance Act 1984 and that those provisions will apply in relation to the Fund.

Clearance under section 464 of the United Kingdom Income and Corporation Taxes Act 1970 (cancellation of tax advantages from certain transactions in securities) has been given by the United Kingdom Board of Inland Revenue in relation to inter alia:  
a. the initial issue of Unclassified Shares in the Fund as Participating Shares pursuant to the offer contained in this prospectus;  
b. the subsequent issue and redemption by the Fund of Participating Shares of each class at prices based on the underlying net asset values of the relevant currency funds established for each class of Participating Shares;  
c. the issue and redemption of Nominal Shares; and  
d. the conversion of Nominal Shares into Participating Shares of any class.

The attention of individuals ordinarily resident in the United Kingdom is drawn to section 478 of the Income and Corporation Taxes Act 1970, as amended, and to section 45 of the Finance Act 1981 which may in certain circumstances render them liable to United Kingdom income tax in respect of undistributed income of the Fund.

The Finance Act 1984 contains provisions concerning the taxation of "controlled foreign companies". Under those provisions companies resident for taxation purposes in the United Kingdom having a sufficient interest, generally ten per cent. or more, in the Fund could in certain circumstances be chargeable to United Kingdom corporation tax in respect of any undistributed income profits of the Fund which may be or may be deemed to be their profits for the purposes of United Kingdom taxation.

The foregoing summaries are based on current law and practice and are subject to changes therein. Investors in any jurisdiction are advised to consult their professional advisers on the possible tax, exchange control and other consequences of buying, holding, converting, selling or redeeming Participating Shares.

## Accounts and Reports

The Fund's first accounting period will end on the last Valuation Day in December 1985. Subsequent accounting periods will end on the last Valuation Day in December of each year. Copies of the audited accounts of the Fund for an accounting period will be sent to shareholders at their registered addresses normally during the following February. Shareholders will also be sent half-yearly reports relating to the Fund normally during August of each year.

## Publication of Prices of Shares

The quotations for Participating Shares on The Stock Exchange, London will appear in The Stock Exchange Daily Official. The Manager will also arrange for the Financial Times to publish weekly the prices of the Participating Shares.

## Further Information

Further information is contained in the following Appendices:

- A Share Capital and Rights
- B Auditors' Report
- C Articles of Association - Directors
- D General Information
- E Documents Available for Inspection

Copies of this prospectus, incorporating the application form, may be obtained from:

Lazard Brothers & Co., Limited  
21 Moorfields, London EC2P 2HT, United Kingdom

Lazard Brothers & Co., (Guernsey) Limited  
16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands

Lazard Brothers & Co., (Jersey) Limited  
2-6 Church Street, St. Helier, Jersey, Channel Islands

## APPENDIX A

### Share Capital and Rights

The authorised share capital of the Fund is £20,000, divided into 10,000 Management Shares of £1 each and 19,000,000 Unclassified Shares of 1p each. The Unclassified Shares may be used as Participating Shares or Nominal Shares. The Participating Shares are divided into classes according to the currency in which they are designated. At the date hereof no Participating or Nominal Shares have been issued. 10,000 Management Shares have been issued for cash at par and those Management Shares are held by the Manager.

### Management Shares

Management Shares have been created principally in order that Participating Shares may be issued. Under the laws of Guernsey the Participating Shares, to be redeemable, have to be preference shares. In order to be preference shares, the Participating Shares must have a preference over some other class of share capital.

The subscription proceeds received on the allotment and issue of Management Shares are credited to a Management Fund in the books of the Fund. Interest or other income received in respect of cash or other assets comprised in the Management Fund is also credited to that fund. The assets and liabilities of the Management Fund are kept separate from the other assets and liabilities of the Fund. An annual fee is payable by the Fund to the holders of the Management Shares in respect of each accounting period of the Fund equal in amount to the income received during that accounting period from the investment of the assets in the Management Fund. The amount of that fee is paid out of the Management Fund. The Directors will establish a Management Reserve Account to which will be credited (as the case may require) any surplus or deficit arising on the realisation of any investments held in the Management Fund. The amount standing to the credit of the Management Reserve Account will only be utilised in the winding up of the Fund.

The Management Shares each carry one vote on a poll but do not carry any right to dividends. In a winding up, they rank pari passu for a return of paid up capital out of the assets of the Fund not comprised within any currency fund (after the return of nominal capital paid up on Participating Shares and Nominal Shares). In addition, any amount remaining in the Management Fund will then be distributed pari passu to holders of Management Shares.

### Participating Shares

On or before the allotment of any Participating Share, the Directors will determine the currency in which that Participating Share will be designated. Participating Shares are divided into classes according to the currency in which they are designated. A separate currency fund will be established for each class of Participating Shares. All monies payable on or in respect of a Participating Share (including subscription and redemption monies) are payable in the currency in which that Participating Share is designated (with the exception of ypn Participating Shares).

Currency funds will be maintained in accordance with the following provisions:

- a. the proceeds from the allotment and issue of a class of Participating Shares will form part of the currency fund established for that class of shares, and on redemption of any Participating Share of that class the assets comprised in that currency fund will be reduced by the amount of the redemption price. The assets and liabilities and income and expenditure attributable to a particular currency fund will generally be kept separate from all other assets and liabilities of the Fund;
- b. separate books for each currency fund will be kept in which all transactions relating to that currency fund will be recorded;
- c. the proceeds from the conversion of Nominal Shares into Participating Shares of any class, together wherever possible with an amount equivalent to the nominal value thereof, will be applied in the books of the Fund to the currency fund established for that class of Participating Shares;
- d. any asset derived from any other asset (whether cash or otherwise) that was comprised in any currency fund will be applied in the books of the Fund to that currency fund and any increase or diminution in the value of such an asset will also be applied to that currency fund;
- e. if there are any assets of the Fund (not being subscription proceeds received on the issue of Nominal Shares or comprised in the Management Fund or the Management Reserve Account) which the Directors do not consider necessary or attributable to a particular currency fund or currency funds, the Directors will allocate those assets to and among any one or more of the currency funds in such manner and on such basis as they in their discretion deem fair and equitable;
- f. if there are any liabilities, expenses, costs, charges or reserves of the Fund that are not readily attributable to any particular currency fund or currency funds, they may be allocated and charged by the Directors to and among any one or more of the currency funds in such manner and on such basis as the Directors in their discretion deem fair and equitable;
- g. as a result of a creditor proceeding against certain of the assets of the Fund or for any other reason a liability, expense, cost, charge or reserve is borne in a different manner from that in which it would have been borne applying the provisions of the preceding paragraphs, the Directors may transfer assets to and from any currency fund with a view to achieving the position had the principles in those paragraphs been applicable;
- h. where the assets of the Fund attributable to the Nominal Shares give rise to any net profits, the Directors may allocate assets representing those net profits to any currency fund or currency funds as they deem appropriate.

The Participating Shares carry a right to dividends declared by the Fund in general meeting or resolved to be paid by the Directors. Each holder of Participating Shares will be entitled, on a poll, to one vote for each Participating Share held.

In a winding up, each Participating Share carries the right to a return of the nominal capital paid up in respect of such share in priority to the repayment of the nominal amount paid up on Nominal and Management Shares. Those sums are payable primarily out of the assets comprised in the currency fund established for the class of Participating Shares concerned. If there are insufficient assets to that currency fund recourse will be had first to any assets not comprised within any currency fund and secondly to the assets remaining in the currency funds established for the other classes of Participating Shares (after return to the holders of those Participating Shares of the nominal capital paid up on those Participating Shares) pro rata to the values of the assets remaining in each of those other currency funds.

After the return of the nominal capital paid up on all the Participating Shares, any balance remaining in a currency fund will be distributed to the holders of Participating Shares of the relevant class, that distribution being made in each case in proportion to the number of Participating Shares of the relevant class held by each holder.

All Participating Shares not previously redeemed will be redeemed by the Fund on the first Subscription Day in 2064 at the redemption price ruling on that day.

### Further Issues of Participating Shares

The articles of association provide that, after the initial issue of Participating Shares and except when there is a suspension of the valuation of the net assets of a currency fund established for a particular class of Participating Shares, when Shares of that class may not be issued, further Participating Shares of each class may be issued on each Subscription Day at a price per Participating Share of not less than that determined by assessing the value of the net assets of the currency fund established for the relevant class on the Valuation Day immediately preceding a Subscription Day, adding thereon the sum the Directors consider represents the appropriate provision for the duties and charges payable on a deemed issue and dividing that amount by the total number of Participating Shares of that class of Participating Shares and deemed to be in issue. The price per Participating Share so calculated may then be increased by a Manager's fee of an amount not exceeding five per cent. of such price plus the amount necessary to round up the resulting sum to the nearest whole unit of currency (as defined in the Fund's articles of association).

### Nominal Shares

Nominal Shares can only be issued at par and only for the purpose of providing funds for the redemption of Participating Shares redeemed. They will be issued only to the Manager. Each holder of Nominal Shares is entitled, on a poll, to one vote in respect of all the Nominal Shares held by him. The Nominal Shares carry no right to dividends.

In a winding up, the Nominal Shares carry the right to repayment of paid up nominal capital out of assets of the Fund not comprised to any currency fund after repayment of the nominal capital paid up on all Participating Shares but to priority to repayment of the nominal capital paid up on the Management Shares. After the return of the nominal capital paid up on Management Shares, any surplus assets not comprised in any currency fund or in the Management Fund will be distributed to holders of the Nominal Shares *pari passu*.

### Transfer of Rights

The rights attached to any class of shares may, subject to the laws of Guernsey, or unless otherwise provided by the terms of issue of the shares of that class, be varied or abrogated with the consent in writing of the holders of not less than three quarters of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of that class by a majority of three quarters of the votes cast at that meeting. For these purposes, the Directors may vary all the classes of Participating Shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration and that there would be no conflict between them but in every other case each class of Participating Shares shall be treated as a separate class. The rights attached to each class of Participating Shares are deemed to be varied by the creation or issue of any shares (other than Participating Shares) of any class ranking *pari passu* with or in priority to them as respects participation in the profits of the Fund. Subject to the above, the rights conferred on the holders of any shares issued with preferred or other rights will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

### Conversion

A holder of Participating Shares of any class (the "old class") has the right to convert all or any of those Shares into Participating Shares of another class (the "new class") on any Subscription Day except when there is a suspension of the determination of the net asset value of the currency fund attributable to Participating Shares of the old class or Participating Shares of the new class.

The Directors will determine the number of Participating Shares of the new class to be allotted upon any conversion in accordance with the following formula:

$$S = \frac{R \times RP \times CF}{SP}$$

Where:

- S is the number of Participating Shares of the new class to be issued; and
- R is the number of Participating Shares of the old class to be converted; and
- RP is the redemption price of Participating Shares of the old class calculated on the Valuation Day immediately preceding the Subscription Day on which the conversion is to be effected; and
- CF is the applicable currency conversion factor determined by the Directors as being the rate of exchange between the currency in which Participating Shares of the old class are designated and the currency in which Participating Shares of the new class are designated; and
- SP is the subscription price for Participating Shares of the new class as calculated on the Valuation Day immediately preceding the Subscription Day on which the conversion is to be effected together with any initial charge of the Manager.

Fractions of Participating Shares may be issued to satisfy any fractional entitlements on conversion arising out of the application of the above formula.

## APPENDIX B

### Auditors' Report

The following is the text of a report, addressed to the Directors of the Fund by Coopers & Lybrand in Guernsey.  
*Abacus Chambers, Smith Street,  
St. Peter Port, Guernsey,  
Channel Islands*

### The Directors

Lazard Brothers Currency Reserve Fund Limited  
20 November 1984

Dear Sirs,

Lazard Brothers Currency Reserve Fund Limited was registered under the laws of Guernsey on 15 November 1984. As at the date of this report, it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully,

Coopers & Lybrand  
Chartered Accountants

## APPENDIX C

### The Articles of Association - Directors

The articles of association contain the following provisions (inter alia) relating to Directors:

1. A Director may act in a professional capacity for the Fund (other than as Auditor) and may receive remuneration for such professional services. A Director may also hold any other office or place of profit with the Fund (other than the office of Auditor) and may be a director, officer or member of any company in which the Fund may be interested.
2. A Director may contract with the Fund and no contract or arrangement made by the Fund in which any Director is in any way interested shall be liable to be avoided, but the nature of his interest must be declared at a meeting of the Directors.
3. A Director may not normally vote in respect of any contract in which he is materially interested.
4. Each Director is entitled to be paid up to £2,500 per annum for his services or such increased remuneration as may be resolved from time to time by the Fund in general meeting. The Directors may also be reimbursed for expenses incurred in connection with the business of the Fund and may receive remuneration for special services.
5. The Directors may exercise the powers of the Fund to borrow subject to the limitations referred to in paragraph 12 of Appendix D.
6. There is no share qualification for Directors.
7. There is no age limit for Directors.
8. A Director may be removed at any time by ordinary resolution of the Fund in general meeting.

## APPENDIX D

### General Information

1. The constitution of the Fund is defined in its memorandum and articles of association. Its registered office is at 16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands.
2. The expenses incurred in the formation of the Fund are estimated to amount to £2,500 which will be paid by the Fund. The expenses incurred in connection with the initial issue of Participating Shares and obtaining the listing of all classes of Participating Shares on The Stock Exchange, London (including the fees of legal, accountancy and financial advisers, printing and advertising costs and The Stock Exchange listing fee) are estimated to amount to £138,650. All of these expenses will be paid by the Fund and will be amortised over a period of five years from the date of the Fund's commencement of business and charged against income.
3. The Fund is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against the Fund.
4. The Manager may at its discretion pay commissions out of its management fee to persons in respect of subscriptions for Participating Shares made or procured by such persons.  
It is currently being proposed that Lazard Brothers Sterling Reserve Fund Limited (the "Reserve Fund") will be wound up early in 1985. The Manager will make a payment to holders of shares in the Reserve Fund who acquire Participating Shares before, during or, at the discretion of the Manager, immediately following that winding up provided that those Participating Shares are held for at least twelve calendar months from the date of their acquisition. That payment will be made to qualifying holders of Participating Shares shortly after the expiration of their twelve month period. The amount of that payment will be equal to, broadly, one half of the management fee that is attributable to those Participating Shares and is paid by the Fund to the Manager in respect of that twelve month period.
5. There are no existing or proposed service contracts between any of the Directors and the Fund, but the Directors may receive remuneration as provided in the articles of association (see Appendix C). It is estimated that such remuneration in aggregate will not exceed £10,000 in the Fund's first accounting period.
6. The following contracts, which are or may be material, have been entered into otherwise than in the ordinary course of business:
  - a. a management agreement between (1) the Fund and (2) LBG dated 20 November 1984, whereby the Manager has agreed to manage the business of the Fund and act as secretary and registrar of the Fund;
  - b. a custodian agreement between (1) the Fund and (2) LBG dated 20 November 1984, whereby LBG has agreed to act as custodian of the assets of the Fund; and
  - c. an investment advisory agreement between (1) the Fund, (2) the Manager and (3) LSJ dated 20 November 1984, whereby LSJ has agreed to provide investment advice to the Manager.
7. The Fund has not commenced business and has not established and does not intend to establish a place of business in Great Britain. The Fund does not have any subsidiaries.
8. The minimum amount which in the opinion of the Directors must be raised by the initial issue of Participating Shares in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1984 (Great Britain) is £1,000,000 or equivalent to be applied as follows:
  - a. purchase price of property, nil;
  - b. preliminary expenses (including expenses in connection with the initial issue), to the extent incurred and payable by the Fund, £140,250;
  - c. repayment of monies borrowed by the Fund for preliminary expenses, nil;
  - d. working capital, £59,400.



BIDS AND DEALS

APPOINTMENTS

£17m industrial disposals by CJR

BY RAY MAUGHAN

Charterhouse J. Rothschild has sold nine industrial subsidiaries to Paragon Group...

CJR is now engaged primarily in the financial services sectors on both sides of the Atlantic...

Since then, CJR has sold Kartret Switchgear, Newage Engineers, and Charcon Tunnel...

H. Young plans to acquire Lloyd's broker

H. Young Holdings is selling the Mercedes-Benz dealership which was its major business until August...

Ladyhead Investments, in which two young directors are involved, is buying the property used as Puttick's workshop...

Young is acquiring 75 per cent of a Lloyd's insurance broker, Carrall, Richard Holder...

Young acquired Readygas, a supplier of gases from British Car Auctions...

£180,000 compensation payment

Charterhouse J. Rothschild has agreed a £180,000 compensation payment to Mr Kenneth Thompson...

The compensation will be on the agenda at an extraordinary meeting on December 10...

The latest disposals also frees CJR from the responsibility for the net external debt of £11.8m...

Paragon is taking eight wholly-owned subsidiaries and the 53.3 per cent holding in the successful Coleroll wallpaper and textiles group...

Paragon's stake comes down by 8.3 per cent immediately after completion when CFN Financial Resources (a subsidiary of the National Coal Board Pension Funds) and Investors in Industry, two of the existing...

Irish bank venture capital deal

Bank of Ireland is taking a 20 per cent stake in Development Capital Corporation (DCC), which is considered to be Ireland's leading venture capital company...

The deal will make the Bank of Ireland the single largest shareholder in DCC...

Other shareholders in DCC include many of the major institutional investors and pension funds in Ireland...

Fraser may oust Lonrho men

THE BOARD of House of Fraser, the Harrods stores group, is meeting today and is expected to discuss the possible removal of Lonrho...

An executive committee of the board, led by professor Roland Smith, group chairman, has been studying possible ways to secure the removal of the two Lonrho representatives...

Mr Rowland has indicated that he had no intention of resigning and intended to stay on the board to see that nothing interfered...

Hazlewood to buy Knights Food group for up to £13.4m

BY CHARLES BATCHELOR

Hazlewood Foods, the pickles and sauces group, is to acquire Knight European Food Group, a privately-owned importer, manufacturer and distributor of delicatessen and salad products...

The company's shares rose 50p to 870p yesterday, a new 1984 high.

The Knights' purchase is the second major acquisition by Hazlewood in the current financial year...

Knights made a profit before tax and directors' remuneration of £1.8m in the year ended September 30 1984...

The company's existing management will remain and Mr John Knights, chairman and founder, and Mr David Appleby, managing director, have agreed to take up five-year service contracts with Hazlewood.

Mr Dennis Jones, finance director of Hazlewood, said: "Knights is a logical fit with Crispa Produce, a grower of salad produce which we acquired earlier this year (for £2.1m). This gives us a fairly substantial involvement in the fresh chilled sector of the grocery trade."

Communications for a total consideration of £80,000. Of the purchase price 90 per cent (£72,000) is payable in shares.

G. M. Frith, a holding company headed by Mr Ian Wasserman, has added to its stake in East Lancashire Paper Group and built up a 3.4 per cent holding in Wittenholme Rink, a metal powder maker and printing chemicals merchant.

Frith now holds 10.2 per cent of East Lancashire, the target of a hostile bid from British Syphon Industries. It had built up a 9.2 per cent holding earlier this month.

Management changes at Lloyds Bank

The business of LLOYDS BANK INTERNATIONAL is to be merged with that of LLOYDS BANK. This will involve a progressive reorganisation of the top management structure of the Lloyds Bank Group...

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Management changes at Lloyds Bank

The business of LLOYDS BANK INTERNATIONAL is to be merged with that of LLOYDS BANK. This will involve a progressive reorganisation of the top management structure of the Lloyds Bank Group...

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

Lazard Brothers Currency Reserve Fund Limited

9 Coopers & Lybrand in Guernsey have given and have not withdrawn their written consent in the issue of this prospectus with the inclusion therein of their report in the form and context in which it is included.

APPLICATION FORM

This form, when completed, should be forwarded to: Lazard Brothers Currency Reserve Fund Limited, 16 Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands. Please fill in details: Class of Share, Subscription Price per Participating Share, Minimum Subscription Shares, Amount, Number of Participating Shares Applied For, Amount Enclosed.

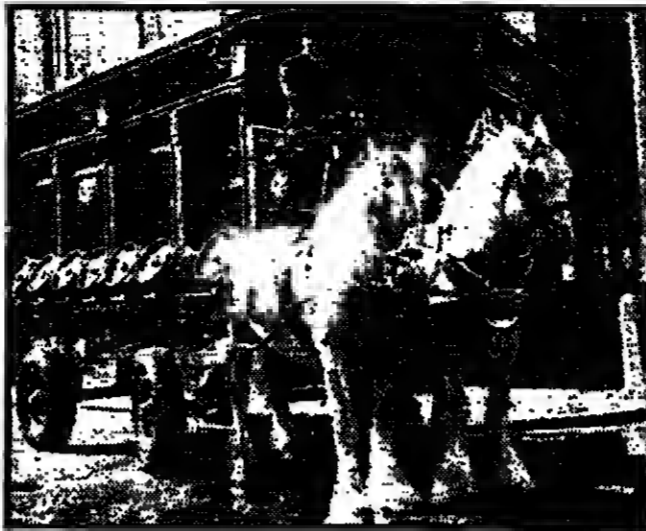
### UK COMPANY NEWS

## Whitbread still sees beer as its mainstay

WITH THE bulk of Whitbread and Company's operating profit coming from beer operations in the half year to September 1 1984, Mr Tony Simonds-Gooding, managing director, made it clear that the driving force behind the division's results had been cost reductions and greater efficiency, and said that "this was likely to be the key in years to come against the background of a dull market."

Commenting on the "good results," the chairman pointed to the new management organisation and the measures taken to cut costs. "We have pursued our development programme broadening from our traditional beer business and expanding our international wines and spirits interests, while continuing the

development — essentially retailing and wines and spirits — along with an increasingly efficient beer business, will yield a satisfactory result. The miners' strike has in some outlets halved trade, although in others there has been no effect at all, and is not a "significant factor."



Whitbread's shires and dray... the company remains committed to its traditional beer operations despite a fall in volume sales

Beer contributed £38.1m to total operating profit at £77.6m, with the group's other activities, wines and spirits and retailing, adding £7.9m and £25.1m respectively. At the pre-tax level profits rose by 15.2 per cent from £50m to £57.6m.

The group currently puts its share of the beer market at between 12.5 and 13 per cent. Over the half year, volume for industry as a whole dropped by some 1.5 per cent, and the company says that its performance was slightly worse than that.

The fall in market share was essentially for two reasons, says Mr Sam Whitbread, the chairman. These were the non-availability for several weeks of Gold Label Barley Wine, and the group's unwillingness to trade with inadequate margins in the take-home sector. By the end of the year the chairman expects that volumes will be back in line with industry figures.

Trading profit for the period was up from £35.4m to £67.1m to which related companies added a further £4.4m (£3.5m). Net interest took £13.9m (£9m). After tax at £14.7m against £10.5m net profits emerged at £42.9m (£39.5m). Minorities deducted £0.2m (added the same), and there was an extraordinary debit of £12m (credit £2.6m). This includes an amount of £16.2m in relation to the closure of Luton Brewery. The group has still not sold the 22-acre Luton site. Mr Simonds-Gooding says that the closure was the biggest cost saving factor in the period, and is likely to produce full year savings of some £5m.

The group now has a total of eight breweries, having closed Luton and Luton & Watlington. Mr Simonds-Gooding says that there are no plans for any further

closure — "our capacity is fairly tight at present." Prices increases in August and September added around 3p a pint to the group's lagers and beers, and the managing director said they would be looking for further possible increases next autumn. "Just how much these will be will have to depend on inflation,

## British Assets raising £60m

By Alison Hogan

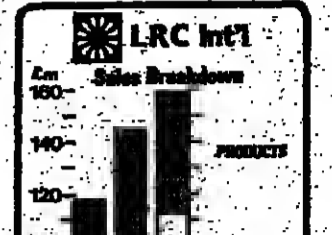
British Assets Trust, the investment trust, is offering shares and warrants to its shareholders which, when completed, will have the effect of reducing its holding of common shares of GBC Capital, its Canadian-based subsidiary, from 67.5 per cent to 54.3 per cent.

A UK quotation for GBC's shares and warrants is also being planned. The investment policy of British Assets is to secure long-term income growth. It should raise £60.3m from the issue which will be invested in higher yielding securities than GBC, a high capital growth trust with a yield of 1.2 per cent gross.

British Assets is offering 9,894,485 units of GBC, each unit consisting of one common share and one warrant which carries the right to subscribe for a common share of GBC at any time up to September 1 1990 at £1.78 (107p). The offer, which comprises 13.2 per cent of the issued common shares and 65.9 per cent of the warrants to be issued, has been underwritten by an undertaking of certain institutional shareholders of British Assets to take up their entitlement and to submit excess applications for the balance, if not taken up by other shareholders.

## LRC advances 12% to £7.9m with record U.S. results

LRC International pushed half taxable profits up by 12 per cent from £7.03m to £7.86m, reflecting the directors state, a pattern of underlying growth.



The result was achieved on turnover ahead by £7.92m at £30.02m and was struck after a virtually unchanged net interest charge of £1.13m against £1.16m.

LRC has interests in health care, household and industrial products and services, and photoprocessing. The company's brand names include Marigold, Stacey, Galloway's and Durex. The interim dividend is being lifted from 1.15p to 1.3p on the capital enlarged by last month's one-for-four rights issue. Stated earnings per share, unadjusted for the rights, rose by 8 per cent from 4.38p to 4.76p.

Record profits were achieved in North America with a particularly "strong performance" from Cook/Bates. Led by continued growth of the photoprocessing company, especially in Europe, the industrial holdings division continued to advance.

LRC Products, the directors say, maintained its share of market against competitive pressure, and results were satisfactory, despite unfavourable Malaysian ringgit exchange rates, high latex costs and increased investment in consumer products, advertising and promotion.

Elsewhere, "excellent" trading results from Italy and Norway contributed to a good performance by the new international division. The results do not include any contribution from Royal Worcester Spode, which was acquired last month from Crystallite Holdings.

The rationalisation of Cook/Bates and the introduction of new manure products is paying off. The good summer helped boost the photoprocessing division, where volume gains and further acquisitions have consolidated the market position. Over in the UK consumer products division, LRC has been somewhat "stagnant" with new competition threatening the company's traditional random market, its house glove business and surgical gloves. It seems they are all biding their own. There seems to be no reason why the current momentum should not continue, especially if the defensive promotional expenditure on products like Marigold gloves starts to pay off. The second half will also see a first-time contribution from Royal Worcester Spode of about £2m. The market still has some doubts about the logic of the acquisition but the company insists there is marketing synergy to capitalise on. Pitches at £19.5m pre-tax for the year the prospective n/e of under 20 looks undemanding.

These good results from LRC were in line with market expectations and the shares were unchanged at 101p. There is no breakdown of the figures at half way but the statement indicates progress across the board, particularly in North America where.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding date	Total dividend for year	Total for last year
Assoc Heat	3.3	Jan 24	3.3	10	10
Bardon Hill	0.825	Jan 2	0.7	2.4	2.4
Bulmer and Lamb	1.65	—	1.65	4.5	4.5
Energy Finance	0.61	Jan 25	0.6	1.31	2.1*
Gen Stockholders	1.4	Jan 18	1.23*	2.35	2.1*
Halewoods Foods	5.5	Jan 18	4.75	11.5	11.5
Jersey Gas Ltd	5.25	Dec 31	5	12	12
London & Midland	4.25	Jan 25	3.5	8	8
LRC International	1.3	April 1	1.15	3.5	3.5
MK Electric	3.4	—	3.2	9.4	9.4
Scottish Int'l	3.67	Feb 15	3.1	5.17	4.7
Sherclay	4.87	Jan 4	4.1	14	14
Stockholders Inv	1.4	Jan 29	1.05*	2.35	1.93*
Whitbread	2.05	Jan 11	1.85	6.25	6.25
Whit Investment	1.3	Feb 1	1.2	2.55	2.55

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡US\$ stock. †Unquoted stock. ‡Figures stated gross throughout.

## United Newspapers

A capital reorganisation is proposed by United Newspapers. This entails repaying and cancelling the 1.99m 4.2 per cent preference £1 shares at 53p cash plus the accrued dividend.

The directors feel that the preference shares no longer constitute an appropriate manner of finance for the company, as its nature has changed significantly since the shares were issued. Also, in view of the small proportion of total capital employed which the shares represent, they consider that certain of the special rights of the shareholders are no longer justified.

When the cancellation has become effective the directors will ask shareholders for an increase in borrowing powers. This will enable them to fund the activities in the "most beneficial and cost effective manner."

## MK Electric edges higher on UK upturn

AN UPTURN in business conditions in the UK in the second quarter has helped the MK Electric Group push up sales from £56.9m to £62.5m and profits before tax from £7.6m to £8.2m in the six months ended September 29 1984. The rate of increase, however, is well down on recent years.

The first quarter suffered a general slackening in demand for the group's products at home, the directors recall. The improved conditions are being sustained during the current half, while overseas activity is continuing to make an increased contribution to profit.

The directors say the resilience of the group's performance also reflects the broadening of the range of activities during recent years, the introduction of new products, and the enhancements to

product ranges. In pursuing growth through the continual introduction of new ranges—the British Telecom line lock telephone outlet range (comprising 32 products), the Combination Unit range (80 products) and Silmline Galaxy, a new range of three-phase circuit protection products.

Capital expenditure has been maintained at a high level, including the factory extension with modernised production capacity for plastic conduit and trunking, and continuing investment in techniques such as computer aided design. Revenue expenditure on development of new products and markets has further increased. The liquid position remains strong.

Trading profit in the half year came to £8m (£7.4m) and associates contributed £49,000 (£21,000). After tax of £3.6m

(£2.4m) earnings are stated at 12.5p (14.1p) per share and the interim dividend is lifted to 3.5p (3.2p). For the whole of 1983-84 the group paid a total of 9.4p from a pre-tax profit 32 per cent higher at £17.6m.

The higher tax rate, including provision for deferred results from the transitional impact of the changes in the Finance Act 1984. When the transition is complete, the group will benefit from the lower rate of corporation tax.

comment MK Electric's pre-tax profits were right up to City expectations but the higher tax charge — up from 32 per cent to 44 per cent — came as a rather unpleasant surprise so the shares slipped 5p to 315p. The share has been a dull performer in recent months, reflect-

ing market concern about the company's dependence on the housing cycle rather than any doubt about MK's intrinsic qualities. The group is trying to broaden the base of its business, notably by expanding into security-related products, but this is a slow process which will only have a modest effect in mitigating the impact of any down-turn in the main activities. Meanwhile, the substantial U.S. acquisition, mooted since the 1982 rights issue, is as elusive as ever. The group's efforts in this direction may gain some impetus from the arrival in September of the new chief executive, Mr Roger Leckton, from Black and Decker. For the current year the group should make £20m pre-tax putting the shares on a p/e of about 10. A solid investment with little excitement to offer to the immediate future.

## Dividend resumption in sight for Renold

Renold, the Manchester-based transmission chain, gearboxes and conveyor systems manufacturers, will be in a position to contemplate dividend payments for the first time since 1981-82, once a High Court scheme to eliminate its deficit on distributable reserves has been passed.

In the meantime, Renold is applying to the Court to convert £40.35m nominal ordinary £1 stock units to an equivalent number of ordinary shares each with a par value of £1. Renold then plans to cancel 75p of the nominal value of each share.

Cancellation will create a credit of £30.3m to which a surplus of £1.2m will be added arising from the cancellation of the balance on share premium account. The aggregate credit will be applied to the elimination of the £22.85m distributable deficit although the balance of £2.2m will not be distributable "unless the creditors of the company at the date the reduction becomes effective have been discharged or have agreed otherwise."

J. Henry Schroder Wagg, the merchant bank advising Renold, said yesterday that "we've been striving to get through this reconstruction without diluting shareholders' interests." The effect of the 75p per share nominal cancellation and the elimination of the deficit on revenue reserve means that net worth before minorities is unchanged at £38.5m. That was supporting net debt of £40m at the March 31 balance sheet date which had been cut from a peak of £51.8m a year earlier.



### Where BASF technology puts style into life.

If you're reading this at home, chances are you'll be in contact with at least a dozen things that owe their existence to BASF technology.

Your favourite reading matter may have been produced with our photopolymer printing plates, our chemical agents in the inks and our coatings on the paper. A number of our products are even used in the production of this newspaper.

The clothes you're wearing, the comfortable furniture, and the carpet, all contain materials developed from BASF research. Chemical auxiliaries, resins, polymer dispersions and solutions make textiles more durable, more comfortable. And our pigments and dyestuffs add colour.

As you move around your home, you'll meet dozens more.

Our Information Systems provide you with audio and video cassette tapes. Your tele-vision, radio and home computer, even the carpet sweeper bristles with our plastics materials, both inside and out.

In the kitchen BASF technology is at work in the fridge



and the food mixer, the washing machine, the washing-up bowl and the easy-clean surface of the worktops. Even the food itself began life in fields protected by our agrochemicals.

Our flavours and fragrances provide the tastes and smells in perfumery, soap and detergent, cosmetics, toiletry and pharmaceutical products.

And BASF helped build the house, with electrical, paint and insulation materials.

All of these are answers. Answers to the needs of people. Answers that have resulted from our commitment to research and development.

Throughout the world, one in ten of our 100,000 employees is engaged in research and development. We invest £1 million every day of the year in this area alone.

As a leading chemical enterprise, we are committed to the future—the future of Man, his environment and our company's continuing contribution. BASF United Kingdom Limited, Earl Road, Cheadle, SK8 6QG. 4 Fitzroy Square, W1P 6ER.

BASF are the people concerned



UK COMPANY NEWS

Effects of miners' strike likely to be prolonged at AHS

CONFIRMING THE fears expressed by Lord Ezra, chairman of Associated Heat Services, at the last year end, results for the half-year to September 29 1984 have been adversely affected to a significant extent by the continuing miners' strike.

Reporting a £260,000 decline in interim profits at the operating level to £1.19m, the chairman says that the company's policy during the strike of continuing to give clients "the best service possible" inevitably involves higher operating costs.

The deterioration was compounded by a £44,000 reduction in interest and similar income at £111,000 to leave a £304,000 shortfall at the taxable level with profits at £1.5m (£1.61m). The chairman says that it will be some time after the strike action ends before normal conditions can be expected to return.

Lord Ezra continues by saying, however, that the underlying strength of the business is undiminished. The group's activities include the installation and maintenance of boiler and air conditioning plant and the management and optimisation of energy usage. Turnover for the six months rose from £15.15m to £15.52m.

The interim dividend is held at 3.9p net per share. The total came to 10p last time when the group reported taxable profits at £5.71m (£5.31m) from turnover of £38.94m (£36.18m). After tax at £586,000 (£533,000) for the half-year, earnings are stated at 8.3p, down from 8.8p.

The chairman explains that the reduction in interest income reflected major investments made in capital projects (particularly relating to the installation of energy capsules) which are now beginning to bear fruit in terms of revenue and profits.

Lord Ezra adds that doubtless as the winter progresses the need for improvisation and substitution will tend to increase until the dispute in the mining industry is resolved and this will continue to add to the group's costs.

Meantime, the board has been heartened by the resilience of the business in troubled times and by the increasing awareness among industrial and commercial users of the benefits to be derived by subcontracting energy services to experts in this field.

**Comment**

The market seems to have overcome the gloom over the impact of the miners' strike on Associated Heat Services, so its 19 per cent decline in taxable profits sent the shares up 7p to 297p. It is relieved that the damage was not worse. The strike probably wiped around £500,000 off the pre-tax line in the first half, reducing the costs of financing emergency fuel stocks and the higher labour charges involved in handling sub-standard coal.

The group has deliberately chosen not to pass these on to customers in an attempt to foster their goodwill. Coal conversion contracts have been understandably keen to win, although industrial users have been feeling optimistic enough about the outcome of the strike in recent months to place orders for 10 energy capsules on top of the 20 already on site. Four of those, however, are lying idle because of TGWU members' refusal to permit coal deliveries.

Meanwhile, contract terminations have almost dried up so that the group is no longer having to run hard to stay still as it was a year ago. About £2.2m pre-tax looks in reach this year, which puts the shares on a prospective multiple of 13 after a 38 per cent tax charge for a 4.9 per cent yield, assuming a maintained final dividend.

Thorn EMI in U.S. video link

By Raymond Snoddy

Thorn EMI Screen Entertainment and Home Box Office yesterday announced the setting up of a joint venture to sell video programmes in the North American market.

For HBO, provider of the leading cable television film channel in the U.S., the joint venture is a first move into video.

The setting up of Thorn EMI/HBO Home Video comes at a time when the U.S. has become both the largest and fastest growing video market in the world.

More than 15m video recorders are now in use in the U.S.

Thorn EMI said yesterday the new alliance would allow two major streams of product to be combined in one competitive flow.

Mr Michael Fuchs, chairman and chief executive of HBO, said the company saw home video as a growing part of the entertainment industry.

"Thorn EMI has a well established home video company and the combined strength we bring to this venture will result in HBO entering this arena at full speed," Mr Fuchs said.

The new company will be responsible for distributing video in North America only. But HBO of the UK is eligible for foreign video release will be handled overseas by Thorn EMI.

Barratt chief forecasts poor interim figures

BY ALEXANDER NICOLL

Sir Lawrie Barratt, chairman of Barratt Developments, yesterday blamed the poor UK housing market and company rationalisation costs for disappointing results which he forecast for the half year ending in December.

At a packed annual general meeting at London's Savoy Hotel, Sir Lawrie faced sharp criticism from several shareholders who said he had not responded strongly enough to allegations about Barratt's timber frame construction and sales methods contained in two Granada Television World in Action programmes.

Shareholders, who have seen a sharp fall in profits, as well as in the value of their investment, since the first programme was broadcast in 1983, could take little comfort from Sir Lawrie's remarks about the current trading position.

The UK housing market, he said, had been difficult since July because of the rise in interest rates and the miners' strike.

"Against private sector starts in 1983 of 170,000, it is now generally accepted that starts in 1984 will fall to 180,000.

"To counter the effects of the big increase in mortgage interest rates, we have operated varying mortgage subsidy plans but interest rates remain stable, Sir Lawrie said.

He reported progress in the property investment and leisure property divisions, and said the contracting division was profitable.

The recent cut in UK mortgage rates and the company's actions should produce an improvement in the second half of the financial year ending next June 30, he predicted.

In the last year, Barratt's pre-tax profits fell to £35.6m from £50.3m, on turnover of £337.6m against £512.9m. In the six months to last December, pre-tax profits were £19.1m.

Barratt shares, which have ranged between 185p and 78p this year, lost 4p yesterday to 84p.

Answering shareholders' questions, Sir Lawrie repeated his defence of timber-framed housing and said it had the backing of independent industry bodies.

Shareholders' criticism, however, centred not on the company's construction or selling methods but on its handling of the allegations made about them.

"Shareholders have lost £300m in a year and you have done nothing about it," said Mr John Chenery, a Londoner holding 3,000 shares. "You do not do enough to repudiate the allegations."

Sir Lawrie insisted that Barratt was doing everything possible to counter them, and did not rule out the possibility of taking legal action after the Broadcasting Complaints Commission has ruled on complaints lodged by the company.

He said Barratt had not taken part in the second Granada programme, which questioned the resale value of Barratt's "starter" homes, because it did not wish its comments to be recorded and edited. Barratt had asked to appear live on the programme, Sir Lawrie said.

The Broadcasting Complaints Commission, chaired by Lady Pike of Melton, is currently considering two separate complaints lodged by Barratt in February and September respectively. It normally takes six to eight months to reach a decision.



Sir Lawrie Barratt... quizzed at the annual meeting

RTD on the recovery trail

THE SALE in July of BMG Engineering has still left the RTD Group in loss for the half year ended August 25 1984. But it is in a "much healthier position" and can concentrate on supporting and improving the existing businesses and seek development and growth through acquisition.

The group says the purchase of BMG proved unfortunate, and its disposal—albeit at a cost—marks a significant step forward. It incurred substantial losses up to disposal and these are reflected in the group first half results, which show a profit of £3,000 (loss £50,000) after interest charges of £48,000 (£68,000), from a turnover of £3.44m (£3.08m). Earnings are 0.07p (loss 0.73p).

After an exceptional charge of £87,000 relating to BMG, the loss is £64,000. This compared with £31,000 after allowing for a tax credit of £22,000, and there was an extraordinary debit of £86,000. On this basis the loss per share is 1.51p (0.73p).

The plating companies had a reasonable six months,

of BMG proved unfortunate, and its disposal—albeit at a cost—marks a significant step forward. It incurred substantial losses up to disposal and these are reflected in the group first half results, which show a profit of £3,000 (loss £50,000) after interest charges of £48,000 (£68,000), from a turnover of £3.44m (£3.08m). Earnings are 0.07p (loss 0.73p).

After an exceptional charge of £87,000 relating to BMG, the loss is £64,000. This compared with £31,000 after allowing for a tax credit of £22,000, and there was an extraordinary debit of £86,000. On this basis the loss per share is 1.51p (0.73p).

The plating companies had a reasonable six months,

of BMG proved unfortunate, and its disposal—albeit at a cost—marks a significant step forward. It incurred substantial losses up to disposal and these are reflected in the group first half results, which show a profit of £3,000 (loss £50,000) after interest charges of £48,000 (£68,000), from a turnover of £3.44m (£3.08m). Earnings are 0.07p (loss 0.73p).

After an exceptional charge of £87,000 relating to BMG, the loss is £64,000. This compared with £31,000 after allowing for a tax credit of £22,000, and there was an extraordinary debit of £86,000. On this basis the loss per share is 1.51p (0.73p).

The plating companies had a reasonable six months,

Bulmer & Lumb rises

PRE-TAX profits at Bulmer & Lumb (Holdings) improved from £508,000 to £528,000 in the six months to September 30 1984.

Turnover of this Bradford-based coloured pot maker and worsted spinner, was slightly lower at £16.48m compared with £18.91m. Trading profit improved from £73,000 to £79,000 in the period, and net interest payable was £78,000 against £73,000.

Depreciation accounted for £195,000 (£174,000). There was a tax charge of £166,000 (£178,000).

The interim dividend is unchanged at 1.65p net—last year's total was 4.5p.

The directors say that prior to the fire last December at Eastle Mills, Bolton, 25 per cent of the yarn division production was carried out at Buttershaw.

MINING NEWS

MIM's Hilton find 'one of the world's greatest'

BY KENNETH MARSTON, MINING EDITOR

MIM Holdings now regards its Hilton silver, lead, and zinc deposit in north west Queensland, Australia, as "one of the world's greatest" following the discovery of two more blocks of mineralisation there.

Mr Bruce Watson, group chairman, told the annual meeting in Brisbane that new ore zones had been delineated at Hilton North. These varied in thickness from 3 metres to 25 metres, which at least double present reserves in the Hilton area but with possibly slightly lower lead and silver grades and higher zinc grades.

He added that exploration at Hilton South indicated an area of potentially economic mineralisation.

From reserves at the original Hilton find amount to 2m tonnes grading 140 grammes per tonne silver, 6.2 per cent lead, and 10.5 per cent zinc. Probable reserves are for 915m tonnes averaging 150 grammes per tonne silver, 6.6 per cent lead and 9.6 per cent zinc.

MIM intends to begin trial mining at Hilton in 1986. Large-scale operations would get under way in the early 1980s with Hilton ore being integrated into the group's lead, zinc and silver production at Mount Isa.

Bardon Hill Group PLC

(The Group's activities consist of quarrying and associated activities)

INTERIM RESULTS

Six months to 30 Sept	1984	1983
Sales	17,383	15,548
Profit before tax	1,983	1,638
Profit after tax	1,190	1,032
Dividend net per share	0.82p	0.70p
Earnings per share		
—before tax	6.36p	5.26p
—after tax	3.62p	3.31p

Points from the statement by the Chairman, J. G. Tom

- Increase in pre-tax profits despite competitive conditions within the industry.
- Interim dividend increased.
- Prospects remain encouraging.

The Company's Shares are traded on the Over-the-Counter Market by Granville & Co. Ltd., 27/28 Lovat Lane, London, EC3R 9EB. Copies of the full Interim Statement are available from K. J. Hill, Bardon Hill Group PLC, Bardon Hill, Leicester LE5 2TL. Telephone Coalville (0530) 36226.



Aberdeen American Petroleum Company plc

(Registered in Scotland No. 73265)

The Council of The Stock Exchange has granted the Company a dealing facility under Rule 535(3), (formerly Rule 163(3)), and dealings in its shares will commence today, Thursday, 22nd November, 1984.

The Company is advised by:

Robert Fleming & Company Limited  
8 Crosby Square, London EC3

This advertisement is published by S. G. Warburg & Co. Ltd. on behalf of the directors of Currys Group plc.

Stay with Currys.

Record of success.

- 121% growth in profit before tax over the two years to January 1984;
- 116% increase in dividend between 1979/80 and 1983/84;
- 170 branches opened, resited or extended since 1980.

This all adds up to a highly successful company, doing what it knows best—retailing electrical products.

Continuing Profitable Expansion.

- Profits before tax significantly greater in 1984/85;
- More than 40% increase in selling space over the next two years, with over 40 new or relocated branches this year;
- On-going development programme for maximum penetration of local markets, including mixed electrical stores in the majority of towns, superstores in major city centres, specialty home entertainment stores, specialty kitchen centres, and Bridgers edge-of-town discount stores.

This all adds up to a progressive, forward looking company, with substantial assets, depth of management, and advanced computer systems to make it happen.

Benefits now.

- 9.2p net dividend for every ordinary share in respect of the 9 months to October 1984, equivalent to a 51.4% annualised increase.
- Proposals under which you will receive a full share in Currys on-going business for every share you hold — plus 150p.

Reject Dixons offer—it's not enough.

Each director of Currys Group plc (including those who have delegated detailed supervision of this advertisement) has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.

UK COMPANY NEWS

Reorganisation and expansion lead to significant gains.

Whitbread and Company PLC announce unaudited results for the six months to 1st September, 1984.

- Consolidated turnover up 16.8% over the same period last year to £678.3m. Profit before tax and extraordinary items up 15.2% to £57.6m. Profit after tax up 8.6% to £42.9m. Interim dividend up 10.8% to 2.05 pence per share. Management effectiveness increased by reorganisation.

BEER, BREWING & WHOLESALING

- Profits increased by reduced costs. Lager - Heineken, Stella Artois, Kaltenberg Diet Pils, Whitbread Gold Label Lager - accounted for 44% of beer sales. 20 local ales support lead brands - Whitbread Trophy and Whitbread Best Bitter.

WINES & SPIRITS

- Acquisition of the Buckingham Corporation will complement Julius Wile. The combined companies will be one of the leading importers of premium wines and spirits into the USA.

Table with 4 columns: Period, Consolidated Turnover and Profit (£M), and 26 weeks to 1.9.1984 (£M).

- Long John International increased export sales in a difficult market. Scoresby Rare continued as a leading "Bottled in USA" brand of scotch.

- Stovells of Chelsea, brand leader in wine boxes, increased market share. Calvet and Langenbach continued to expand in their overseas markets.

RETAILING

- £1 million per week invested in retail outlets. Over 1000 new jobs created. Successful development of Beefeater, Roast Inns and Pizza Hubs - now over 250 restaurants. Pub food grows through Brewers Fare and Inns Fare. Threshers, Ashe & Nephew and Whittalls Wines now provide wide geographic coverage with 770 off-licences.

THE FUTURE

"We are confident that our increasingly cost-efficient beer operations together with the development of our retailing and wines and spirits businesses will lead to continued profit growth."

SAM WHITBREAD CHAIRMAN



WHITBREAD

The Brewery, Chiswell Street, London EC1. Tel. 01-606 4455

LMI ahead £1.5m and more growth to come

FOLLOWING A record in 1983-1984 London & Midland Industrials saw its profits before tax rise by 68.5 per cent for the opening six months of the current year with all but one of its operating companies showing sales gains.

Mr C. M. Beddow, the chairman of this engineering, industrial services and consumer products group, tells shareholders that progress in both sales and profits during the half year to September 30, 1984 was outstanding.

He says LMI is well poised for further expansion and development and that the directors look forward to the future with confidence.

On the back of a £8.34m rise in turnover to £41.61m first-half profits advanced from £2.11m to £3.72m before deducting tax of £1.66m, compared with £988,000.

Earnings per 25p share show a rise of some 55 per cent at 8.2p (5.3p) and the interim dividend is being stepped up from 3.5p to 4.25p net.

With the exception of Wykeham Farrance (specialised product engineering), where results were affected by a downturn in Middle East markets for its soil testing equipment, all 21 operating companies showed sales gains.

Of turnover, engineering and industrial services pushed their share up by £2.23m to £22.58m while the remainder of the group accounted for £19.11m more at £19.03m.

Pre-tax profits were struck after taking account of income from investments of £287,000 (£2,000) and net interest charges of £530,000 (£236,000).

The attributable balance came through £850,000 ahead at £1.92m after deducting minority interests of £22,000 (£5,000), same-again preference dividends of £141,000 and adding in extraordinary items of £86,000 (debits £58,000).

The City has consistently underestimated the recent performance of London & Midland Industrials, and these interim results were not unexpected. Pre-tax profits of about £9.5m more than most forecasts made the shares jump 1 1/2 to 1 3/4p and sent analysts raising their full-year estimates to about 27p. On past performance, the group should have little trouble meeting this target. The engineering and industrial services division, which has been improved greatly by management changes in several operating companies, is seeing strong demand both in the UK and in the U.S. Consumer products - those most important businesses are in garages and greenhouses - has had a bumper summer. Of 21 companies, the group is the best performer. It Wykeham Farrance, but LMI sees long-term prospects for its soil-testing equipment. Assuming a 44 per cent tax charge the shares are not expensive on a p/e of about 9, especially with a tempting 8 per cent yield. LMI will need to make acquisitions to maintain the momentum of the past two years - but shareholders can draw considerable reassurance from the buying record to date.

N. American Trust Net asset value per ordinary share ex-dividend rose from 274.7p to 325.6p for the year to October 31 1984 at the Northern American Trust, having stood at 314.9p at the interim stage. The final dividend is up from 4p to 4.5p net per share for a total of 6p. The directors of this investment trust state that shareholders will shortly be asked to approve a change in policy which will affect the level of revenue over the next few years, and accordingly 0.5p of the current dividend should be regarded as non-recurring. Net revenue, after tax came out at £2.17m (£1.85m) for earnings per share stated at 6.32p (5.39p). Currency loans of U.S.\$25m were repaid during the year.

Television Services Television Services International says that of the 1,504,584 new ordinary shares offered by way of rights, 1,457,272 shares (96.85 per cent) were taken up. The balance has been sold in the market and the excess over the subscription price (after deducting the expenses of sale) was 14.1p per share. Cheques for this amount will be sent as soon as possible to the original provisional allottees, except that amounts of less than £2 per holding will be retained for the benefit of the company.

Sketchley down by 12% as price war cuts margins

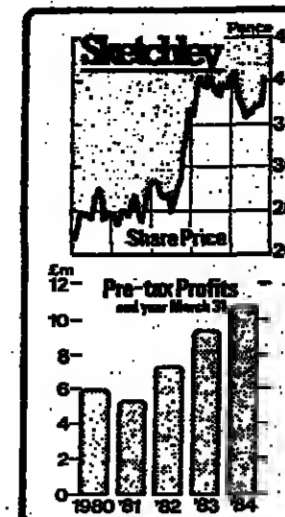
INTENSE PRICE competition in the UK rental business, the effect of the summer weather on dry cleaning and higher interest charges have combined to clip 11.5 per cent off the first half profits of Sketchley. Before tax they were £5.15m, compared with £5.97m.

Mr Richard Newton, chairman, reports a 55 per cent growth in turnover, from £49m to £76.35m. He says the UK rental business achieved a volume increase for the first time for four years, but profits were "much reduced" as a consequence of intense price competition, including the lower price structure now applicable to the NCB, Ford Motor and other major contracts. Profitability of the NCB contract has also been affected by the miners' strike. The hot summer hit dry cleaning although there was a significant recovery in September.

In the U.S. rental profits in dollar terms were lower compared with the good period of last year, partly due to the cost of assimilating new acquisitions; but the shortfall was offset substantially by favourable exchange rates. Sketchley Cleaners in Toronto and Sketchley Diaper Services in America both made a good start in the current year.

Operating expenses in the period to September 28 1984 were £70.33m (£43.15m) leaving the operating profit only 1.1 per cent higher at £5.05m, subject to interest charges of £842,000 (£85,000). Operating expenses included depreciation of tangible assets and circulating inventory of £15.13m (£7.97m).

Following the rights issue in February, further small acquisitions have been made in the U.S. and the addition of new rental business there and in the UK has resulted in an increase in total borrowings, with the



Share Price and Pre-tax Profits per year March 31

corresponding effect on interest costs. Borrowings are currently falling, reports Mr Newton, and will be further reduced by the year end. The chairman confirms the directors' confidence in their strategy of expansion into overseas markets and new services, despite the short-term costs of implementation. "The outlook is promising in the markets in which the group is involved and its position in those markets is strong," he states. The group's plan to franchise Sketchley retail dry cleaning in Northern England has been well received. It will lead to a further extension of the geographical coverage of the group's services and will provide a useful contribution to profits in the years ahead. After tax £1.93m (£2.67m), the net attributable profit for the

half year comes out at £3.28m (£3.2m), equal to 12.7p (10.6p) per share, adjusting for the rights issue. The interim dividend is up to 4.25p, against 4.1p. In the full year ended March 30 1984 profit before tax was £10.85m and the total payment 14p.

comment

In retrospect, it was perhaps too much to hope for that Sketchley's North American acquisitions, for which shareholders were asked to put up £14m earlier this year, would begin to come clean so soon. Unlike the UK market, where industrial rental customers are characterised by their size and their numbers, the North American market is highly fragmented, so there is a lot of spadework to do in marketing and sales before the investment starts to wash through the profit and loss account in any cost-effective way. But at least the strategy looks sound; with some UK business providing roughly half of group sales the group now has a larger sales base and access to a much wider market at a time when the home market is not far off saturation point. This first half, all profit centres have come under pressure. At a time when competitive elements have forced price cuts when contracts have been negotiated, notably with the NCB and Ford. The miners' strike has also not helped. The immediate outlook is difficult to judge but trading conditions are reportedly slightly better in the second half. This should ensure profits at least on a par with last year's £10.8m. Taking a line through the interim tax charge the prospective p/e is over 13 at 8.2p, down 8p, a rating which clearly anticipates the impact of taking North America to the cleaners.

COMPANY NEWS IN BRIEF

Elswick Hopper, holding company with interests in agricultural equipment, bicycles and specialist engineering products, has announced that of the 473,830 8 per cent convertible cumulative redeemable preference shares at par, 393,137 convertible preference shares, representing about 82.97 per cent of the issue, have been taken up by shareholders or by renounees of the right to accept allotment.

INCREASED rental income and profit from sales of trading properties have enabled Marston Holdings to return to profits for the half-year ended June 30 1984 with £314,000 pre-tax, compared with a loss of £199,000. Gross rents received came to £221,000 and for the year some £270,000 is expected. On an annualised basis this income is nearing £1m and will continue to rise strongly as developments are completed, helped by rent reviews and new service agreements. At the net level earnings are shown at 1.29p (loss 1.08p) per share, before crediting £33,000 (£353,000) profit on sale of investment properties. The interim dividend is held at 0.2p net, and it is intended to at least maintain the final at 0.3p.

BOARD MEETINGS

Table listing board meetings for various companies including Fulcrum Investment Trust, Celvaco Oil, and others, with dates and times.

City of Trondheim Norway DM 17,000,000 7 5/8% Private Placement of 1984/1992. Includes details on stock index, offering price, and Dresdner Bank/Forretningsbanken A/S.

Public Works Loan Board rates table showing effective November 21 1984, with columns for years and repayment terms.

U.S.\$100,000,000 HYDRO QUEBEC 11 1/2% Debenture due 1st December 1992. Includes details on purchase fund due 1st December 1984.

RENTALS every WEDNESDAY or SATURDAY. To advertise phone: 01-248 5284 DIANE STEWARD.

LADBROKE INDEX Based on FT Index 915-919 (+4) Tel: 01-427 4411

Television Services International says that of the 1,504,584 new ordinary shares offered by way of rights, 1,457,272 shares (96.85 per cent) were taken up.

LMI plc Further considerable progress. Results for Half-Year (Unaudited) comparing 30th September 1984 and 30th September 1983. Includes sales, profit before tax, earnings per share, and ordinary dividend figures.

IF CASH FLOW IS YOUR ONLY PROBLEM - NO PROBLEM... TALK TO GRIFFIN. Confidential invoice discounting with Griffin Factors could mean immediate cash payment of up to 80% of the value of your approved invoices, less charges. Any balance due to you follows. For successful companies we provide finance for growth without diluting equity or company control.

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Thursday November 22 1984

NEW YORK STOCK EXCHANGE 32-34 AMERICAN STOCK EXCHANGE 33-34 U.S. OVER-THE-COUNTER 34, 42 WORLD STOCK MARKETS 34 LONDON STOCK EXCHANGE 35-37 UNIT TRUSTS 38-39 COMMODITIES AND CURRENCIES 41 INTERNATIONAL CAPITAL MARKETS 42

WALL STREET

Holiday limits scope for advance

DIFFICULTY was encountered yesterday in extending the recovery by Wall Street stocks, which drifted in thin trading ahead of Thanksgiving today...

the recent range, but selling pressure was felt throughout the market.

IBM gave a poor lead, dipping 5 1/2% to \$120 despite favourable reports on plans to introduce a new personal computer.

Other high-technology stocks also remained out of favour. NCR at \$25 1/2 lost 5% and Honeywell shed 5% to \$58.

Motor issues suffered losses up to a full point although selling was light. Airlines, unsettled by an anti-trust dispute between United Airlines, American Airlines and most of the other large domestic carriers, turned mixed.

A block of 500,000 shares in Financial Corporation of America, the thrift company now rebuilding its deposit base, was traded at \$7.

On the takeover front, Diversifoods dipped 5% to \$10 after the prospective bidding consortium admitted to problems in finding finance for its offer of \$15.50 a share.

Signal Companies, the high-technology aerospace group, jumped 1% to \$33 1/2, but the board knew of no reason.

International Harvester, rumoured as a possible bid target, eased 5% to \$7 1/2.

market digested the latest results and assessed the prospects for Christmas. K mart, the discounter, added 5% to \$34.

In the credit market, rates began to slip lower after a firm start, although the federal funds rate proved unable to sustain an initial dip to 9 per cent.

TOKYO Firmness fails to take hold

INITIAL FIRMNESS among share prices in response to the overnight rally on Wall Street, gave way as a mood of caution returned to the market.

In a dull session some speculators actively traded medium and low-priced incentive-backed issues in what market experts described as a "money game."

Active margin trading in incentive-backed issues over the last few weeks, fuelled by a worsening investment climate, has brought margin debt on the three big exchanges to a record high.

An initial surge of buying was seen in optical fibre-related issues, but this was not followed through.

Dealers aggressively sought these quality issues in an attempt to shift investors' interest away from incentive-backed stocks, but prices dipped as soon as they ceased buying.

Incentive-backed issues thus dominated market activity. Kaken Pharmaceutical, a biotechnology-related issue, moved the maximum Y300 up to Y4,350 in active trading.

Hidden-asset issues were also favoured. Nippon Express led the actives list with 9,666 shares, gaining Y2 to Y337.

Foreigners' sell orders placed with the big four brokerage houses again outnumbered buy orders by 17m to 12.5m shares.

The bond market, caught between the good performance of the U.S. credit market and the yen's weakness against the dollar, remained almost unchanged in light trading.

The yield on the benchmark 7.3 per cent government bond maturing in December 1993 fell to 8.7 per cent from Tuesday's 8.71 per cent, on buying by some securities houses to replenish inventories.

HONG KONG

TURNOVER in Hong Kong's half-day midweek session exceeded Tuesday's full-day level and brought a broad rally which took the Hang Seng index 11.83 higher to 1,084.35.

Banks and property issues were aided by the prospect of a continued interest rate decline. Hang Seng picked up 50 cents at HK\$39.25, while Cheung Kong at HK\$8.60 added 10 cents to match a rise by SHK Properties at HK\$7.25.

SINGAPORE

MALAYSIAN institutions were identified as sellers in quiet Singapore dealings, where muted support emerged from local operators to leave a slightly softer tone.

Pahang, the volume leader, firmed a cent to S\$1.02. Banks held up well and DBS, the busiest, put on 5 cents to S\$5.85.

SOUTH AFRICA

A RESILIENT showing was maintained by Johannesburg golds in the face of weakening bullion values, although demand was small.

Southvaal was notable for a R1.75 gain to R87, while Grootvlei firmed 30 cents to R16.80.

CANADA

LITTLE progress could be made in a Toronto market weighed down by a reversal on the gold boards, although many other sectors held close to overnight levels.

EUROPE

Resistance to sharp trading shift

MOVEMENTS on the major European bourses yesterday were seldom more than marginal, although centres that turned slightly lower could still boast some strong share sectors.

A bright opening in Amsterdam faded as investors lost interest and the ANP-CBS index, calculated at mid-session, stood at 175.00 for a rise of 0.3 by the close.

Internationals lost most of their appeal, with Unilever FI 2 down at FI 295 and Royal Dutch 10 cents weaker at FI 170.40.

Banks were favoured as ABN finished FI 3 higher at FI 334.50, while NMB was FI 1.90 stronger at FI 143.90.

Insurer Amey continued to benefit from its Spanish expansion plans with a rise of 50 cents to FI 189.70.

Boskalis Westminster recovered some of its recently lost ground by gaining FI 1.20 to FI 16.20, while biotechnology group Gist-Brocades added to the previous session's rise with a further 30 cent advance to FI 158.50.

Bonds were stable over a broad front with few isolated changes as the new 7.5 per cent loan tender was announced in line with market expectations.

Paris moved broadly higher despite what should have been the normally depressing news of poor trade figures for October and a sharp decline in household consumption last month.

Stockholm was mixed with Asea unchanged at SKr 362 after results and Ericsson under continued pressure at SKr 280 for a drop of SKr 6.

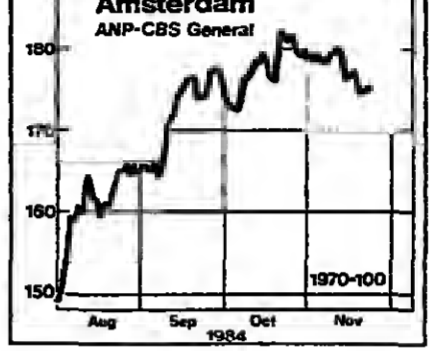
FFr 493, erasing part of the previous session's fall.

Michelin made further progress after its surge in sales announced on Monday, by rising FFr 5 more to FFr 790.

CIT-Alcatel scored one of the best advances of the session with its FFr 30 rise to FFr 1,375, while Matra's FFr 35 fell to FFr 1,705 was one of the worst.

The four-hour general strike in major Italian cities did not dent the steady progress made in Milan this week.

Italcementi, L2,200 higher at L63,700, secured yet another high for the year while Fiat gained L6 to L1,582.



Retailer Rinascente held steady at its peak for the year of L482 and new issue Saipem added L1 to L4,206.

Petrofina led the decline in Brussels, with the market leader down BFr 100 to BFr 6,990, although volume in the share was light.

Groupes Bruxelles Lambert recouped half the previous session's loss with a BFr 80 advance to BFr 2,120 after its rights issue.

Utilities proved the brightest spot with Intercom BFr 10 higher at BFr 2,120 and retailers were firm with Debeize also BFr 10 up at BFr 5,800.

Banks in Zurich were strong although the absence of West German investors was detected throughout the market.

Stockholm was mixed with Asea unchanged at SKr 362 after results and Ericsson under continued pressure at SKr 280 for a drop of SKr 6.

Match recovered SKr 5 to SKr 260 and MoDo in forestry moved for the first

time this week with a SKr 8 gain to SKr 248.

Madrid continued higher with some weakness in banks, Frankfurt was closed for the Repentance Day holiday.

LONDON

Gilts unable to capture bright tone

DIVERGENT TRENDS emerged yesterday in the two main investment areas of London stock markets. Leading equities followed the more cheerful tone on Wall Street overnight and many shares regained the previous session's losses.

Turnover remained at moderate levels ahead of the launch of British Telecom, with business generally concentrated on situation stocks. Good investment buying developed for Marks & Spencer, up up at 123p, and Tesco, up ahead at 234p, on their joint development deal for edge-of-town shopping sites.

Another factor influencing the rise in equity values was the reluctance of investors to part with stock. The FT Industrial Ordinary index closed 3.9 higher at 918.7.

Gilts, beset by sterling and North Sea oil price worries, and adverse futures market trends, went steadily lower. Closing falls ranged to 1%.

Chief price changes: Page 34; Details, Page 35; Share information service, Page 36-37

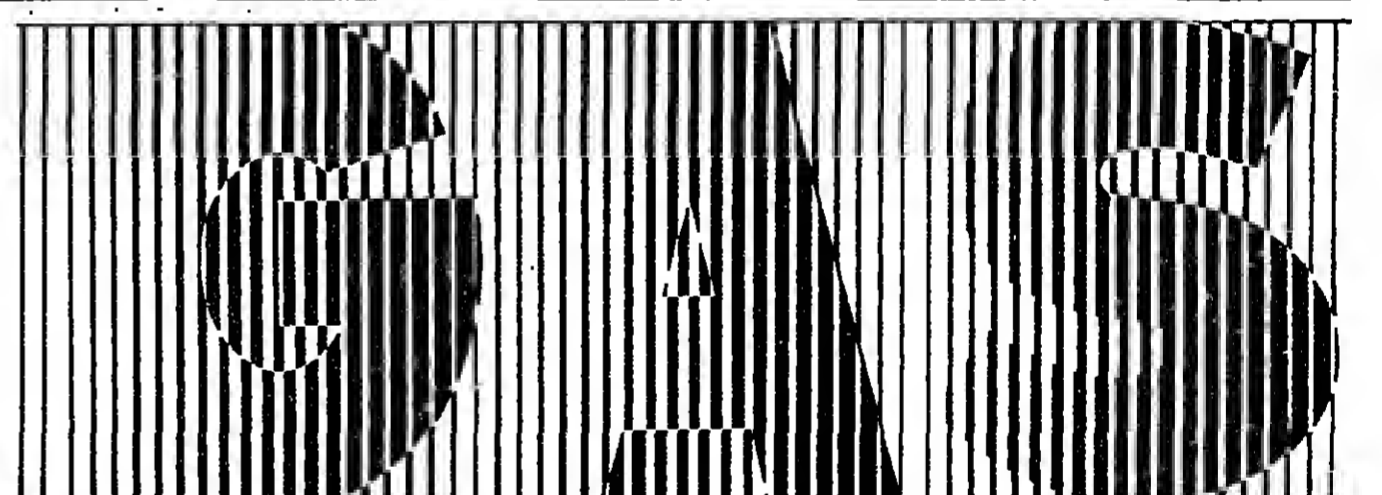
AUSTRALIA

RENEWED support emerged for Sydney's metal mining sector, while oil and gas issues remained buoyed by promising drilling reports this week.

BHP put on 15 cents to AS10.85, and results took CSR 2 cents higher to AS3.10. Santos and Hartogen added 4 cents each for a respective AS6.40 and AS2.70. Selstrut featured with a 12-cent jump to 72 cents.

Industrials were more subdued, but 8-cent rises took Bond Corp to AS1.68, Brambles to AS3.62 and Elders IXL to AS3.48.

Table with multiple sections: KEY MARKET MONITORS (Tokyo New Stock Exchange, Dow Jones Industrial Average), STOCK MARKET INDICES (NEW YORK, LONDON, TOKYO, AUSTRALIA, AUSTRIA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD), CURRENCIES, INTEREST RATES, U.S. BONDS, FINANCIAL FUTURES, COMMODITIES.



The FT European Gas Conference

Vienna: 11 & 12 December, 1984

The main issues in economics, finance, politics and supply will be analysed by:

- Mr G Kardaun (Formerly NV Nederlandse Gasunie)
Mr M K Faid (SONATRACH)
Mrs Helga Steeg (International Energy Agency)
Mr Peter Gaffney (Gaffney, Cline & Associates)
M Michel Valais (Institut Francaise du Pétrole)
Mr Edward K Faridany (Ocean Phoenix Gas Transport)
Dr John C Gault (IEDConsultants)
Dr David Smith (Esso Chemical Limited)
Mr G S Miller (Morgan Grenfell & Co Limited)
Mr Jean Traversin (Distrigaz SA)
Mr Peter Vrancken (Shell Oil Company)
Mr William C Pierce (Chemical Bank)
Mr Rudolf Safoschnik (OEMV AG)
Mr Bart Collins (Petroleum Times)
Professor Arthur Whiteman (University of Aberdeen)
Dr Bálint Balkay (Hungarian Academy of Sciences)
Dr Marcello Colitti (Enichem Polimeri)
Mr Erik Bjelland (Statoil)

Official Carrier: AUSTRIAN AIRLINES

The FT European Gas Conference

Registration form with fields for Name, Title, Company, Address, Tel., Fax, and Type of Business.

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month	Stock	Div. Yld.	P/E	100s	High	Low	Open	Close	Chg	12 Month	Stock	Div. Yld.	P/E	100s	High	Low	Open	Close	Chg
100	AAA	4.23	10.5	100	100.00	99.75	100.00	99.75	+	100	AAA	4.23	10.5	100	100.00	99.75	100.00	99.75	+
100	AA	4.18	10.5	100	100.00	99.75	100.00	99.75	+	100	AA	4.18	10.5	100	100.00	99.75	100.00	99.75	+
100	A	4.13	10.5	100	100.00	99.75	100.00	99.75	+	100	A	4.13	10.5	100	100.00	99.75	100.00	99.75	+
100	B	4.08	10.5	100	100.00	99.75	100.00	99.75	+	100	B	4.08	10.5	100	100.00	99.75	100.00	99.75	+
100	C	4.03	10.5	100	100.00	99.75	100.00	99.75	+	100	C	4.03	10.5	100	100.00	99.75	100.00	99.75	+
100	D	3.98	10.5	100	100.00	99.75	100.00	99.75	+	100	D	3.98	10.5	100	100.00	99.75	100.00	99.75	+
100	E	3.93	10.5	100	100.00	99.75	100.00	99.75	+	100	E	3.93	10.5	100	100.00	99.75	100.00	99.75	+
100	F	3.88	10.5	100	100.00	99.75	100.00	99.75	+	100	F	3.88	10.5	100	100.00	99.75	100.00	99.75	+
100	G	3.83	10.5	100	100.00	99.75	100.00	99.75	+	100	G	3.83	10.5	100	100.00	99.75	100.00	99.75	+
100	H	3.78	10.5	100	100.00	99.75	100.00	99.75	+	100	H	3.78	10.5	100	100.00	99.75	100.00	99.75	+
100	I	3.73	10.5	100	100.00	99.75	100.00	99.75	+	100	I	3.73	10.5	100	100.00	99.75	100.00	99.75	+
100	J	3.68	10.5	100	100.00	99.75	100.00	99.75	+	100	J	3.68	10.5	100	100.00	99.75	100.00	99.75	+
100	K	3.63	10.5	100	100.00	99.75	100.00	99.75	+	100	K	3.63	10.5	100	100.00	99.75	100.00	99.75	+
100	L	3.58	10.5	100	100.00	99.75	100.00	99.75	+	100	L	3.58	10.5	100	100.00	99.75	100.00	99.75	+
100	M	3.53	10.5	100	100.00	99.75	100.00	99.75	+	100	M	3.53	10.5	100	100.00	99.75	100.00	99.75	+
100	N	3.48	10.5	100	100.00	99.75	100.00	99.75	+	100	N	3.48	10.5	100	100.00	99.75	100.00	99.75	+
100	O	3.43	10.5	100	100.00	99.75	100.00	99.75	+	100	O	3.43	10.5	100	100.00	99.75	100.00	99.75	+
100	P	3.38	10.5	100	100.00	99.75	100.00	99.75	+	100	P	3.38	10.5	100	100.00	99.75	100.00	99.75	+
100	Q	3.33	10.5	100	100.00	99.75	100.00	99.75	+	100	Q	3.33	10.5	100	100.00	99.75	100.00	99.75	+
100	R	3.28	10.5	100	100.00	99.75	100.00	99.75	+	100	R	3.28	10.5	100	100.00	99.75	100.00	99.75	+
100	S	3.23	10.5	100	100.00	99.75	100.00	99.75	+	100	S	3.23	10.5	100	100.00	99.75	100.00	99.75	+
100	T	3.18	10.5	100	100.00	99.75	100.00	99.75	+	100	T	3.18	10.5	100	100.00	99.75	100.00	99.75	+
100	U	3.13	10.5	100	100.00	99.75	100.00	99.75	+	100	U	3.13	10.5	100	100.00	99.75	100.00	99.75	+
100	V	3.08	10.5	100	100.00	99.75	100.00	99.75	+	100	V	3.08	10.5	100	100.00	99.75	100.00	99.75	+
100	W	3.03	10.5	100	100.00	99.75	100.00	99.75	+	100	W	3.03	10.5	100	100.00	99.75	100.00	99.75	+
100	X	2.98	10.5	100	100.00	99.75	100.00	99.75	+	100	X	2.98	10.5	100	100.00	99.75	100.00	99.75	+
100	Y	2.93	10.5	100	100.00	99.75	100.00	99.75	+	100	Y	2.93	10.5	100	100.00	99.75	100.00	99.75	+
100	Z	2.88	10.5	100	100.00	99.75	100.00	99.75	+	100	Z	2.88	10.5	100	100.00	99.75	100.00	99.75	+

Continued on Page 33

هكذا صدقنا

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices. Columns include 12 Month High/Low, Stock Name, Div. Yld., P/E, 100s High/Low, and Date/Price Change. Includes sub-sections C-C-C, F-F-F, G-G-G, K-K-K, L-L-L, M-M-M, N-N-N, O-O-O, R-R-R, S-S-S, T-T-T, U-U-U, V-V-V, W-W-W, X-X-X, Y-Y-Y, Z-Z-Z.

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices. Columns include 12 Month High/Low, Stock Name, Div. Yld., P/E, 100s High/Low, and Date/Price Change. Includes sub-sections A-A-A, B-B-B, C-C-C, D-D-D, E-E-E, F-F-F, G-G-G, H-H-H, I-I-I, J-J-J, K-K-K, L-L-L, M-M-M, N-N-N, O-O-O, P-P-P, Q-Q-Q, R-R-R, S-S-S, T-T-T, U-U-U, V-V-V, W-W-W, X-X-X, Y-Y-Y, Z-Z-Z.

Notes regarding stock prices and dividends. States figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week. Dividend data includes dividend declared or paid in preceding 12 months.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

WORLD STOCK MARKETS

AUSTRIA Nov. 21 Price +/- or ... Creditanstalt 227 ... BAWAG 250 ...

GERMANY Nov. 20 Price +/- or ... AEG-Tele 105.8 ... BASF 109.5 ...

NORWAY Nov. 21 Price +/- or ... Bergen's Bank 160 ... Sjøveier 187 ...

AUSTRALIA (continued) Nov. 21 Price +/- or ... Gen Prop Trust 2.23 ... Hertz Energy 3.7 ...

JAPAN (continued) Nov. 21 Price +/- or ... MNI 238 ... AEL 18 ...

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of over-the-counter stock prices including AEL, AEC, ATE, ATR, etc. with columns for stock name, price, and change.

LONDON Chief price changes

Table of London stock price changes for various companies like BPC, Currys, Duxbury, etc.

FALLS

Table of falling stock prices in London, including Ex. 10pc 1989, Tr. 15pc 80-83, etc.

BELGIUM/LUXEMBOURG Nov. 21 Price +/- or ... B.S.L. 1,805 ... Bana. Int. A. Lux 5,475 ...

ITALY Nov. 21 Price +/- or ... Banca Com. It. 13,450 ... BNL 1,285 ...

SPAIN Nov. 21 Price +/- or ... Bco Bilbao 323 ... Bco Central 323 ...

SWEDEN Nov. 21 Price +/- or ... A.C.A. 332 ... Alfa-Laval 375 ...

HONG KONG Nov. 21 Price +/- or ... Bank East Asia 21.7 ... Cheung Kong 5.6 ...

SINGAPORE Nov. 21 Price +/- or ... Boustead HDB 1.99 ... GBS 6.95 ...

SOUTH AFRICA Nov. 21 Price +/- or ... ABC 1.47 ... ABA 1.47 ...

DENMARK Nov. 21 Price +/- or ... Andelsbanken 257 ... Balcic Skand 535 ...

NETHERLANDS Nov. 21 Price +/- or ... ACF Holding 179 ... AEGON 130.5 ...

SWITZERLAND Nov. 21 Price +/- or ... Alusteve 753 ... Bank Leu 4,700 ...

JAPAN Nov. 21 Price +/- or ... Ajinomoto 130 ... Alps Electric 2,030 ...

FRANCE Nov. 21 Price +/- or ... Emprom 4 1/2 1,072 ... Emprom 7 1/2 1,055 ...

NETHERLANDS (continued) Nov. 21 Price +/- or ... ACF Holding 179 ... AEGON 130.5 ...

AUSTRALIA Nov. 21 Price +/- or ... ANZ Group 6.3 ... Alliance Oil Dev. 1.04 ...

JAPAN (continued) Nov. 21 Price +/- or ... Ajinomoto 130 ... Alps Electric 2,030 ...

SOUTH AFRICA (continued) Nov. 21 Price +/- or ... ABC 1.47 ... ABA 1.47 ...

CANADA TORONTO Prices at 2.30pm Nov. 21 ... 210 Alt. Proc 229 ... 1200 Agropur 144 ...

CANADA (continued) Nov. 21 Price +/- or ... 210 Alt. Proc 229 ... 1200 Agropur 144 ...

CANADA (continued) Nov. 21 Price +/- or ... 210 Alt. Proc 229 ... 1200 Agropur 144 ...

CANADA (continued) Nov. 21 Price +/- or ... 210 Alt. Proc 229 ... 1200 Agropur 144 ...

CANADA (continued) Nov. 21 Price +/- or ... 210 Alt. Proc 229 ... 1200 Agropur 144 ...

12 Month High Low Close Div. Yld. P/E Stk. ... 12 Month High Low Close Div. Yld. P/E Stk. ...

12 Month High Low Close Div. Yld. P/E Stk. ... 12 Month High Low Close Div. Yld. P/E Stk. ...

12 Month High Low Close Div. Yld. P/E Stk. ... 12 Month High Low Close Div. Yld. P/E Stk. ...

12 Month High Low Close Div. Yld. P/E Stk. ... 12 Month High Low Close Div. Yld. P/E Stk. ...

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33 ... 12 Month High Low Close Div. Yld. P/E Stk. ...

Continued from Page 33 ... 12 Month High Low Close Div. Yld. P/E Stk. ...

Continued from Page 33 ... 12 Month High Low Close Div. Yld. P/E Stk. ...

Continued from Page 33 ... 12 Month High Low Close Div. Yld. P/E Stk. ...

NEW YORK DOW JONES

Table of New York Dow Jones indices for various sectors like Industrials, Transport, Utilities, etc.

Indices

Table of various market indices including NYSE All-Common, NYSE Mid-Cap, NYSE Small-Cap, etc.

NEW YORK ACTIVE STOCKS

Table of active stock prices in New York, including company names, prices, and changes.

HAND - DELIVERY IN PARIS

Many of our subscribers already receive their copy of the Financial Times on the day of publication. If you live in the 1st, 2nd, 7th, 8th, 9th, 15th, 16th or 17th arrondissement, Neuilly or La Defense and would like to hear more about this service, then contact: Benjamin M. HUGHES, Financial Times (Europe) Ltd, Centre d'Affaires Le Louvre, 168, rue de Rivoli, 75044 PARIS CEDEX 01, Tel. (1) 297.06.23



LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders rebound but gilt-edged beset by renewed worries over sterling

Account Dealing Dates
\*First Decline Last Account
Dealings from Dealings Day
Oct 29 Nov 8 Nov 9 Nov 19
Nov 12 Nov 22 Nov 23 Dec 3
Nov 26 Dec 6 Dec 7 Dec 17
\*\*Business dealings rates take place from 9.30 am two business days earlier.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, Nov. 21, Nov. 20, Nov. 19, Nov. 18, Nov. 17, Nov. 16, Year ago. Rows include Government Securities, Fixed Interest, Industrial, etc.

10 am 915.8, 11 am 916.7, Noon 918.1, 1 pm 920.4, 2 pm 920.4, 3 pm 920.4.
Borse 100 Gov. Secs, 15/10/26, Fixed Int. 1328, Industrial 177/35, Gold Mines 12/55, SE Activity 1974.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index, High, Low, High, Low, Daily Edged, Nov. 20, Nov. 19. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

Rink gained 8 to a 1984 peak of 178p on news that GNF (Investment) a wholly-owned subsidiary of G. M. Firth, has a beneficial interest in 262,500 shares, over 5 per cent of the equity.

Stores firm

News of the Marks and Spencer and Tesco co-operation in the development of a number of out-of-town shopping centres sparked off a good demand for both shares; the former touched 125p before closing 4 better at 123p, while the latter ended 5 higher at 224p, after 226p. Other Store co-ops warmed to the prospect of further base leading rate reductions and longer opening hours following publication of the Audit report; this record meant that all restrictions on shop opening hours be abolished. Burton, a buoyant market of 18p to the value of 200,000 shares, advanced 6 more to a new high for the year of 390p, while British Home put on 4 to 200p and Debenhams hardened 5 to 211p, after 213p. D-I-Y companies paid particular heed to the Home Office's findings on Sunday opening hours. MFI put on 6 to 200p and Marley gained 3 to 94p. Elsewhere, Press commented on the situation ahead of tomorrow's revised closing date of Dixon's revised offer helped Currys rebound 12 to 477p; Dixons closed 14 better at 322p. Sammie jumped 10 to 57p on revived speculative support, while improvements of 6 and 7 respectively were seen in Foster Back 196p and Simpson's A 175p. Against the trend, J. Hepworth lost 7 at 420p, after 416p.

Leading Electricals were included in the Rascal improving 4 to 272p, while EMU rising 12 to 490p. Plessey, however, failed to hold an early small improvement and closed unaltered at 202p. MK Electric eased 5 to 313p, despite the increased interim dividend and profits, but Cable and Wireless rose 10 more to 367p. Repeated support left Bowthorpe 7 to a new peak for the year of 402p, while speculative interest took United Scientific 8 higher to 225p.

Interest in 18p, Associated sector was at an extremely low ebb and prices rarely strayed from previous closing levels. Among the leaders, TI drifted back 7 to 210p, after 208p. A new recommendation, hardened 2 to 105p.

Other Food Retailers to attract support included Avon, up 5 to 221p, and Associated Dairies, 2 dearer at 164p. Cullens "A" hardened 5 more to a 1984 peak of 830p awaiting any further bid developments, but Paul's Stores, which increased its stake in the company last Monday following the Watling (105) bid for Cullens, is still considering whether or not to bid for the company.

Hazlewood Foods rose 50 to 870p in response to news of doubled interim profits and the acquisition of Knights European Food Group.

London and Mid. good

London and Midland industrial shares, reflecting better than expected interim figures, moved up 11 to 162p, with the Deferred shares 10 dearer at 89p. Elsewhere in the miscellaneous industrial sector, Johnson Matthey came under sudden selling pressure and dipped 18 to 85p amid fears that British Petroleum may not bid for the company. Unipac hard results left Sketchley 8 down at 96p, but Granada were supported and put on 9 to 167p. Revived demand lifted Rascal Organisation to 77p. A flurry of speculative activity left UKO International 9 to the good at 110p, but Extel, a good market of late, ran back 15 to 335p, awaiting today's 3 term statement. Somic took a turn for the better at 33p, up 5. Among the leaders, Metal Box rallied 6 to 346p following comment on the interim figures, while occasional support left BTR 8 up at a fresh peak for the year of 192p. Reed International were noteworthy for a similar improvement at 482p.

Jonas Woodhead, still excited by the near-11 per cent stake in the company by IEP Securities, rose 3 fresh to 38p. Elsewhere in Motors, BL gained 2 to 42p on news of the vote to return to work at its Cowley and Longbridge plants. Lucas hardened 2 to 268p, after 269p.

BPCC featured Paper/Printing rising 6 to 173p. Good Relations rose 5 to 250p on acquisition details, while Usher Walker put on 15 at 225p.

Feature in Espley Trust which slumped to 8p prior to closing a net 5 down at 10p following news that Mr Ron Shuck's Consortium, which holds about 25 per cent stake in the company, had been placed in the hands of the receiver. Elsewhere, USM quoted Barclays continued to reduce the good annual results and firmed 5 more to 156p. Westminster and Country added 3 to 138p, as did Speyhawk to 163p. The latter figures are second for the year of 1984 at 77p, after 70p, on the disappointing interim results, provided an isolated dull feature in a quiet Textile sector.

Textiles, Bats hardened 2 to 275p and Imped edged forward a penny to 169p. Rothmans, however, closed a shade lower at 148p, the interim figures are second for the year of 1984 at 77p, after 70p, on the disappointing interim results, provided an isolated dull feature in a quiet Textile sector.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines
The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the US currency rose against the pound.

The Gold Mines index, calculated in sterling prices, showed a 32 rise at 167.2. Bullion, however, remained under pressure throughout the day and closed a net 52 easier at 330.75 an ounce. Currency considerations left the majority of South African gold shares with minor improvements. "Jobannes" and "Arnold" rose around a point apiece to 250 and 176p respectively, while Transvaal Consolidated Land put on 2 to 226p and the Bermuda-registered Minero 10 to 39p. De Beers rallied 5 to 387p.

London-domiciled Financials were highlighted by Charter Consolidated which fell sharply in the wake of a sharp reaction in Johnson Matthey and closed 12 lower at 203p.

Australians provided a firm feature in Selstrut which jumped 10 to 45p amid rumours that Australian interests are building a stake of between 7 to 10 per cent in the company. Reunion Consolidated which fell sharply in the wake of a sharp reaction in Johnson Matthey and closed 12 lower at 203p.

BPCC featured Paper/Printing rising 6 to 173p. Good Relations rose 5 to 250p on acquisition details, while Usher Walker put on 15 at 225p.

Feature in Espley Trust which slumped to 8p prior to closing a net 5 down at 10p following news that Mr Ron Shuck's Consortium, which holds about 25 per cent stake in the company, had been placed in the hands of the receiver. Elsewhere, USM quoted Barclays continued to reduce the good annual results and firmed 5 more to 156p. Westminster and Country added 3 to 138p, as did Speyhawk to 163p.

The latter figures are second for the year of 1984 at 77p, after 70p, on the disappointing interim results, provided an isolated dull feature in a quiet Textile sector.

Textiles, Bats hardened 2 to 275p and Imped edged forward a penny to 169p. Rothmans, however, closed a shade lower at 148p, the interim figures are second for the year of 1984 at 77p, after 70p, on the disappointing interim results, provided an isolated dull feature in a quiet Textile sector.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines
The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the US currency rose against the pound.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines
The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the US currency rose against the pound.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines
The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the US currency rose against the pound.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines
The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the US currency rose against the pound.

Oil steady
'Leading Oils' were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 dearer on balance at 357p, after 352p. Enniskillen oil, however, provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Enniskillen 2 well in the Cooper Basin.

RECENT ISSUES

EQUITIES

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include Addison Comms, Applidors A & P, etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include African Rev Bank, Elwick-Hopner, etc.

"RIGHTS" OFFERS

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

NEW HIGHS AND LOWS FOR 1984

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

OPTIONS

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

ACTIVE STOCKS

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

TUESDAY'S ACTIVE STOCKS

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

RISES AND FALLS YESTERDAY

Table with columns: Issue, Price, High, Low, Stock, Change, etc. Rows include British Home, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Calls, Puts, etc. Rows include S.P. (490), etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Index, Day's Change, etc. Rows include CAPITAL GOODS, Building, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Index, Day's Change, etc. Rows include British Government, etc.

7 Flat yield. Highs and lows record, base rates, values and constituent changes are published in Saturday Issues. A list of constituents is available from the Publishers, the Financial Times, Brecken House, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

# FT LONDON SHARE INFORMATION SERVICE

Need room to grow? Emigrate to **The Growing State** Telford 0952 613131

### BRITISH FUNDS

**"Shorts" (Lives up to Five Years)**

1984 High	1984 Low	Stock	Price	% Chg	Yield
100	100	100	100	0	0
101	101	101	101	0	0
102	102	102	102	0	0
103	103	103	103	0	0
104	104	104	104	0	0
105	105	105	105	0	0
106	106	106	106	0	0
107	107	107	107	0	0
108	108	108	108	0	0
109	109	109	109	0	0
110	110	110	110	0	0
111	111	111	111	0	0
112	112	112	112	0	0
113	113	113	113	0	0
114	114	114	114	0	0
115	115	115	115	0	0
116	116	116	116	0	0
117	117	117	117	0	0
118	118	118	118	0	0
119	119	119	119	0	0
120	120	120	120	0	0
121	121	121	121	0	0
122	122	122	122	0	0
123	123	123	123	0	0
124	124	124	124	0	0
125	125	125	125	0	0
126	126	126	126	0	0
127	127	127	127	0	0
128	128	128	128	0	0
129	129	129	129	0	0
130	130	130	130	0	0
131	131	131	131	0	0
132	132	132	132	0	0
133	133	133	133	0	0
134	134	134	134	0	0
135	135	135	135	0	0
136	136	136	136	0	0
137	137	137	137	0	0
138	138	138	138	0	0
139	139	139	139	0	0
140	140	140	140	0	0
141	141	141	141	0	0
142	142	142	142	0	0
143	143	143	143	0	0
144	144	144	144	0	0
145	145	145	145	0	0
146	146	146	146	0	0
147	147	147	147	0	0
148	148	148	148	0	0
149	149	149	149	0	0
150	150	150	150	0	0

### Five to Fifteen Years

1984 High	1984 Low	Stock	Price	% Chg	Yield
151	151	151	151	0	0
152	152	152	152	0	0
153	153	153	153	0	0
154	154	154	154	0	0
155	155	155	155	0	0
156	156	156	156	0	0
157	157	157	157	0	0
158	158	158	158	0	0
159	159	159	159	0	0
160	160	160	160	0	0
161	161	161	161	0	0
162	162	162	162	0	0
163	163	163	163	0	0
164	164	164	164	0	0
165	165	165	165	0	0
166	166	166	166	0	0
167	167	167	167	0	0
168	168	168	168	0	0
169	169	169	169	0	0
170	170	170	170	0	0
171	171	171	171	0	0
172	172	172	172	0	0
173	173	173	173	0	0
174	174	174	174	0	0
175	175	175	175	0	0
176	176	176	176	0	0
177	177	177	177	0	0
178	178	178	178	0	0
179	179	179	179	0	0
180	180	180	180	0	0
181	181	181	181	0	0
182	182	182	182	0	0
183	183	183	183	0	0
184	184	184	184	0	0
185	185	185	185	0	0
186	186	186	186	0	0
187	187	187	187	0	0
188	188	188	188	0	0
189	189	189	189	0	0
190	190	190	190	0	0
191	191	191	191	0	0
192	192	192	192	0	0
193	193	193	193	0	0
194	194	194	194	0	0
195	195	195	195	0	0
196	196	196	196	0	0
197	197	197	197	0	0
198	198	198	198	0	0
199	199	199	199	0	0
200	200	200	200	0	0

### Over Fifteen Years

1984 High	1984 Low	Stock	Price	% Chg	Yield
201	201	201	201	0	0
202	202	202	202	0	0
203	203	203	203	0	0
204	204	204	204	0	0
205	205	205	205	0	0
206	206	206	206	0	0
207	207	207	207	0	0
208	208	208	208	0	0
209	209	209	209	0	0
210	210	210	210	0	0
211	211	211	211	0	0
212	212	212	212	0	0
213	213	213	213	0	0
214	214	214	214	0	0
215	215	215	215	0	0
216	216	216	216	0	0
217	217	217	217	0	0
218	218	218	218	0	0
219	219	219	219	0	0
220	220	220	220	0	0
221	221	221	221	0	0
222	222	222	222	0	0
223	223	223	223	0	0
224	224	224	224	0	0
225	225	225	225	0	0
226	226	226	226	0	0
227	227	227	227	0	0
228	228	228	228	0	0
229	229	229	229	0	0
230	230	230	230	0	0
231	231	231	231	0	0
232	232	232	232	0	0
233	233	233	233	0	0
234	234	234	234	0	0
235	235	235	235	0	0
236	236	236	236	0	0
237	237	237	237	0	0
238	238	238	238	0	0
239	239	239	239	0	0
240	240	240	240	0	0
241	241	241	241	0	0
242	242	242	242	0	0
243	243	243	243	0	0
244	244	244	244	0	0
245	245	245	245	0	0
246	246	246	246	0	0
247	247	247	247	0	0
248	248	248	248	0	0
249	249	249	249	0	0
250	250	250	250	0	0

### Undated

1984 High	1984 Low	Stock	Price	% Chg	Yield
251	251	251	251	0	0
252	252	252	252	0	0
253	253	253	253	0	0
254	254	254	254	0	0
255	255	255	255	0	0
256	256	256	256	0	0
257	257	257	257	0	0
258	258	258	258	0	0
259	259	259	259	0	0
260	260	260	260	0	0
261	261	261	261	0	0
262	262	262	262	0	0
263	263	263	263	0	0
264	264	264	264	0	0
265	265	265	265	0	0
266	266	266	266	0	0
267	267	267	267	0	0
268	268	268	268	0	0
269	269	269	269	0	0
270	270	270	270	0	0
271	271	271	271	0	0
272	272	272	272	0	0
273	273	273	273	0	0
274	274	274	274	0	0
275	275	275	275	0	0
276	276	276	276	0	0
277	277	277	277	0	0
278	278	278	278	0	0
279	279	279	279	0	0
280	280	280	280	0	0
281	281	281	281	0	0
282	282	282	282	0	0
283	283	283	283	0	0
284	284	284	284	0	0
285	285	285	285	0	0
286	286	286	286	0	0
287	287	287	287	0	0
288	288	288	288	0	0
289	289	289	289	0	0
290	290	290	290	0	0
291	291	291	291	0	0
292	292	292	292	0	0
293	293	293	293	0	0
294	294	294	294	0	0
295	295	295	295	0	0
296	296	296	296	0	0
297	297	297	297	0	0
298	298	298	298	0	0
299	299	299	299	0	0
300	300	300	300	0	0

### Index-Linked

1984 High	1984 Low	Stock	Price	% Chg	Yield
301	301	301	301	0	0
302	302	302	302	0	0
303	303	303	303	0	0
304	304	304	304	0	0
305	305	305	305	0	0
306	306	306	306	0	0
307	307	307	307	0	0
308	308	308	308	0	0
309	309	309	309	0	0
310	310	310	310	0	0
311	311	311	311	0	0
312	312	312	312	0	0
313	313	313	313	0	0
314	314	314	314	0	0
315	315	315	315	0	0
316	316	316	316	0	0
317	317	317	317	0	0
318	318	318	318	0	0
319	319	319	319	0	0
320	320	320	320	0	0
321	321	321	321	0	0
322	322	322	322	0	0
323	323	323	323	0	0
324	324	324	324	0	0
325	325	325	325	0	0
326	326	326	326	0	0
327	327	327	327	0	0
328	328	328	328	0	0
329	329	329	329	0	0
330	330	330	330	0	0
331	331	331	331	0	0
332	332	332	332</		

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high, low, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Telecom, and British Gas.

PROPERTY—Continued

Table of property stocks including companies like British Land, City of London Real Estate, and Eversheds.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American Investment Trust, British Columbia Investment Trust, and British Columbia Investment Trust.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and ICI.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace, British Leyland, and Rover.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Leyland Trucks, Leyland DAF, and Leyland DAF.

Components

Table of component stocks including companies like Lucas, Lucas Industries, and Lucas Industries.

Garages and Distributors

Table of garage and distributor stocks including companies like British Motor Holdings, British Motor Holdings, and British Motor Holdings.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways, British Overseas Airways, and British Overseas Airways.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather, British Leather, and British Leather.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal.

TEXTILES

Table of textile stocks including companies like British Textiles, British Textiles, and British Textiles.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Newspapers, British Newspapers, and British Newspapers.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, British Paper, and British Paper.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas Traders, British Overseas Traders, and British Overseas Traders.

PLANTATIONS

Table of plantation stocks including companies like British Plantations, British Plantations, and British Plantations.

INSURANCES

Table of insurance stocks including companies like British Insurance, British Insurance, and British Insurance.

PROPERTY

Table of property stocks including companies like British Land, City of London Real Estate, and Eversheds.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British American Investment Trust, British Columbia Investment Trust, and British Columbia Investment Trust.

TOBACCO

Table of tobacco stocks including companies like British Tobacco, British Tobacco, and British Tobacco.

Central Rand

Table of Central Rand stocks including companies like Anglo American, De Beers, and Anglo Coal.

Far West Rand

Table of Far West Rand stocks including companies like Anglo American, De Beers, and Anglo Coal.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like British Regional, British Regional, and British Regional.

D.F.S.

Table of D.F.S. stocks including companies like British D.F.S., British D.F.S., and British D.F.S.

Options—3-month call rates

Table of 3-month call rates including companies like British Options, British Options, and British Options.

Finance

Table of finance stocks including companies like British Finance, British Finance, and British Finance.

Diamond and Platinum

Table of diamond and platinum stocks including companies like British Diamonds, British Diamonds, and British Diamonds.

Recent Issues and Rights Page 35

This service is available to Army Company Officers on Stock Exchange throughout the United Kingdom for a fee of £700 per annum for each security.



MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

Miscellaneous

Table of miscellaneous stocks including companies like British Miscellaneous, British Miscellaneous, and British Miscellaneous.

NOTES

Notes regarding stock prices, dividends, and company announcements.

Regional & Irish Stocks

Table of regional and Irish stocks including companies like British Regional, British Regional, and British Regional.

Options—3-month call rates

Table of 3-month call rates including companies like British Options, British Options, and British Options.

Finance

Table of finance stocks including companies like British Finance, British Finance, and British Finance.

Diamond and Platinum

Table of diamond and platinum stocks including companies like British Diamonds, British Diamonds, and British Diamonds.

Recent Issues and Rights Page 35

This service is available to Army Company Officers on Stock Exchange throughout the United Kingdom for a fee of £700 per annum for each security.

38 AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts with columns for trust names, managers, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service listing numerous unit trusts, their managers, and financial details.

Table of City of Westminster Assurance and other insurance-related entities.

Table of Clerical Medical/Fidelity International and other insurance-related entities.

Table of Commercial Union Group and other insurance-related entities.

Table of Continental Life Assurance Co. and other insurance-related entities.

Table of Credit & Commerce Life Ass. Co. and other insurance-related entities.

Table of Crown Life Assurance Co. and other insurance-related entities.

Table of Eagle Star Insurance Co. and other insurance-related entities.

Table of Equitable Life Assurance Co. and other insurance-related entities.

Table of Imperial Life Assurance Co. and other insurance-related entities.

F.T. CROSSWORD PUZZLE No. 5576

- ACROSS
1 Old master's cheeky kid? (6)
4 Work force at ring-road in midlands (8)
9 For the prude, what one hug might turn out to be? (6)
10 Pleasant air in California? Virginia ain't worried (8)
12 In the main, it is sluggish (3-5)
13 Treasure-chests not opening? Here are some proposals (6)
15 A force needed for biting (4)
16 Adversary not against conversion (10)
17 Shades of having celebrated with girls? (3-7)
20 Discern the flaw? (4)
23 H. is leaving Himalayas for the eastern states (6)
25 Half-time music while players rest? (8)
27 Wine seen in France - with mother's ruin - and stirred (8)
28 Sheep penned by farmer in Orse (6)
29 Elementary thing for smallest pig to swallow ten cents (8)
30 Plastered and pebble-dashed? (6)
DOWN
1 Run is here - otherwise tea is outside? (7)
2 Sweetheart takes job that means calling up (9)
3 Old city-slicker Ernest, we hear (6)
5 Role-reversal trick? (4)
6 Bobby - in uniform and a walker? (8)
7 Ring dynamic girl (5)
8 Barker's still in this position, lifeless with stick (4-3)
11 Span - it disguises Hess, for instance? (7)
14 Learns about love in port (7)
17 What happens in collision? One parliamentarian takes case (9)
18 That part of the house making life poorly? (8)
19 Revolutionary tea-maker (7)
21 Foot's first established position? (3-4)
22 Eager to show skill around study (6)
24 Semi-lucid free of that

Crossword puzzle grid with numbers 1-30 indicating starting positions for clues.

Solution to Puzzle No. 5576, showing the filled-in crossword grid.

INSURANCES section containing detailed information about various insurance policies, including life, fire, and marine insurance, with company names and policy details.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including Standard Life Assurance Co Ltd, Scottish Widows Group, and various international investment funds.

Table of insurance and overseas funds including G.A.L. Investments (IOM) Ltd, Capital International Fund S.A., and various international investment funds.

Table of money market and trust funds including Midland Bank Trst Corp (Jersey) Ltd, Tower Hamlets Trst Corp, and various trust and money market funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including Actinium Investment Fund SA, Adia Investment, and various international investment funds.

Money Market

Table of money market funds including Actium Investment Fund SA, Adia Investment, and various international investment funds.

Trust Funds

Table of trust funds including Actium Investment Fund SA, Adia Investment, and various international investment funds.

Money Market

Table of money market funds including Actium Investment Fund SA, Adia Investment, and various international investment funds.

Bank Accounts

Table of bank accounts including Actium Investment Fund SA, Adia Investment, and various international investment funds.

NOTES

Notes section providing additional information and disclaimers regarding the fund data.

COMMODITIES AND AGRICULTURE

Freight futures company formed

By Our Commodities Editor SHIPBROKERS Eggar Forrester are linking with E. Bailey Commodities to form a company to trade in freight futures. It was announced yesterday. The company, called Eggar-Bailey, is being created in anticipation of the launch, hopefully in mid-1985, of the Baltic Exchange Freight Futures Exchange (Biffex).

Peru strike lifts copper prices

BY JOHN EDWARDS, COMMODITIES EDITOR COPPER PRICES advanced strongly on the London, Oct. Exchange yesterday following the sharp drop in the value of Sterling and news of a strike at Southern Peru Copper Corporation. The higher grade cash price gained \$25.50 to \$1,068.50 a tonne, recouping the losses suffered during the past week.

Subsidy rate boosts EEC wheat sales

By Ivo Dawson in Brussels GRAIN TRADERS swooped yesterday on an EEC daily minimum export subsidy offer of Ecu 14.5 per tonne, accepting the rate for \$31,500 tonne of soft wheat. Market managers at the European Commission had considered lowering the minimum subsidy price offer on Tuesday night by Ecu 1 per tonne following the renewed rise in the value of the dollar.

Andrew Gowers reports from the farming outlook conference Warning on grain surplus build-up

THE EUROPEAN Community's cereals surplus could grow by more than 10m tonnes. In addition, the world grain market, which is likely to grow very slowly for the rest of the decade, would be incapable of absorbing the additional quantities, and the EEC would be unable to increase its market share owing to international budgetary constraints. I believe we would bankrupt Mediterranean producers like wine as a cause for concern.

Following this year's bumper crop, cereals have emerged as the big issue in next year's EEC negotiations on farm support arrangements for the 1985-86 marketing year, rivalled only by Mediterranean products like wine as a cause for concern. In his keynote speech, Sir Michael Franklin, Permanent Secretary to the Ministry of Agriculture, gave indications of the financial impact of this year's UK cereal harvest. He said the increased output was likely to compensate farmers for lower prices this calendar year, and that the farming industry as a whole might show "a significant increase" in income over its 1983 level.

U.S. crude oil stocks rising

BY NANCY DUNNE IN WASHINGTON U.S. CRUDE oil stocks are approaching last year's levels for the first time since August, according to American Petroleum Institute figures. Crude stocks leapt upwards by about 6.5m barrels to 350.5m barrels at the end of last week. Last year, at this time, stocks stood at 354m barrels.

BRITISH COMMODITY PRICES

Table with columns for various commodities like Wheat, Barley, Beans, etc., and their prices in different units.

AMERICAN MARKETS

Table with columns for various commodities like Soybeans, Corn, etc., and their prices in different units.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Rubber, etc.

BASE METALS

Table showing prices for base metals like Aluminum, Copper, Lead, etc.

Wool Futures

Table showing prices for wool futures in different grades.

INDICES FINANCIAL TIMES

Table showing various financial indices like FTSE 100, etc.

NEW YORK

Table showing prices for various commodities in New York like Cocoa, Coffee, etc.

LONDON OIL SPOT PRICES

Table showing spot prices for oil in London.

GAS OIL FUTURES

Table showing prices for gas oil futures.

POTATOES

Table showing prices for potatoes in different grades.

REUTERS

Table showing prices for various commodities from Reuters.

CHICAGO

Table showing prices for various commodities in Chicago.

GOLD MARKETS

Gold fell \$2 to \$340.341 on the London bullion market yesterday. It opened at \$342.343 and was fixed at \$342.75 in the morning and \$340.90 in the afternoon. The metal touched a peak of \$343.343 and a low of \$340.341.

LONDON FUTURES

Table showing prices for various commodities in London futures.

LEAD

Table showing prices for lead in different grades.

COFFEE

Table showing prices for coffee in different grades.

Norway attacks fish levy plans

OSLO—Norway yesterday protested to the European Community over its plans to levy a duty on Norwegian fish products, and called on the 10 nation bloc to drop the proposals.

EUROPEAN MARKETS

PARIS, November 21. Ouges—(FF per tonne) March 1428-1469, May 1525-1527, Aug 1602-1604, Oct 1652-1662, Dec 1712-1732, March 1825-1845. Cocoa—(FF per 100kg) Dec 2108-2112, March 2078-2081, May 2085-2105, July 2135-2140, Sept 2090-2100, Dec 2050-2060. Physalis—The London market opened unchanged, attracted some covering interest throughout the day and closed uncertain, reports Lewis and Peel. Closing prices (buyers) spot 60 (39) cents, 1 kg and 100 lb 30 (20) cents, 1 kg and 100 lb 30 (20) cents.

ALUMINIUM

Table showing prices for aluminium in different grades.

WHEAT

Table showing prices for wheat in different grades.

MEAT/FISH

Table showing prices for meat and fish.

Sri Lanka ups rubber output

COLOMBO—Sri Lanka produced 75.3m kg of rubber during the first half of this year, up 10 per cent from the same period in 1983, Central Bank of Ceylon figures show. However, total production in 1984 is expected to be at last year's level of 140m kg, the bank said in a report. Rubber exports earned 2.85m SL rupees last year, and is projected to reach 3.54m SL rupees in 1984, the report said.

# CURRENCIES; MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

### Dollar strong but nervous

The dollar gained more than one penny against the D-mark on the foreign exchange yesterday in nervous trading. As views have changed about the prospects for interest rates, short positions have been turned round, and the dollar has gained ground steadily recently. The U.S. budget deficit is reported as a major problem preventing lower U.S. interest rates, and this is encouraging the market to ignore economic statistics indicating much lower U.S. growth.

An unchanged rise of 0.4 per cent in October consumer prices was expected, and in the present circumstances the dollar was able to shrug off a disappointing fall of 4.1 per cent in October durable goods orders, against a revised September drop of 3.3 per cent.

The threat of intervention by the German Bundesbank continues to overshadow the market, and although German financial markets were closed for the holiday yesterday, an air of nervousness was generated by today's closure of the New York market for Thanksgiving Day. It was feared the German central bank may take advantage of a thin market and the absence of U.S. traders to attack the dollar today and push it back below the DM 3.00 level.

This probably limited the dollar's advance, and the U.S. currency finished below its best level of the day. After touching DM 3.0250 it closed at 3.0158 compared with DM 3.0060, and also rose to FF 9.55 from FF 9.2225; SwF 2.5010 from SwF 2.4890; and ¥245.50 from ¥245.

On the Bank of England figures the dollar's index rose to 140.9 from 140.0.

**STERLING**—Trading range against the dollar in 1984 is 1.895 to 1.875, October average 1.890. Exchange rate index fell 0.9 to close at the day's low of 73.1, the weakest level since November 1. The peak was the opening of 75.9, and present levels compared with 90.5 six months ago.

Falling North Sea oil prices on the European spot market depressed sterling. The pound touched a low of \$1.2185, but recovered some ground to late trading, to close 1.03 cents lower on the day at \$1.2770-1.2550. Sterling also fell to DM 3.70 from DM 3.7250; FF 11.3975 from FF 11.3975; SwF 3.07 from SwF 3.08; and ¥301.50 from ¥301.

**BELGIAN FRANC**—Trading range against the dollar in 1984 is 53.458 to 52.240, October average 52.825. Trade-weighted index fell 0.1 against 69.9 six months ago.

The Belgian franc weakened against the very strong dollar at the Brussels fixing, but was firm against its EMS partners.

## Softer trend

Sterling based contracts were marked down in the London International Financial Futures Exchange yesterday in reaction to sterling's weaker trend. There was some recovery towards the end of the day and prices finished above the day's lows but still down from Tuesday. The late upturn was attributed to a little short covering.

Sterling's decline was based on weaker oil prices and a growing conviction that, even an official desire to see UK interest rates lower, there was little prospect of the authorities using interest rates as a weapon to contain any potential decline in the value of sterling.

U.S. Treasury bond prices were a little firmer to start with but faltered mostly unchanged on the day ahead of today's closure of many U.S. centres for Thanksgiving Day. On the other hand Euro-dollar contracts finished quite strong. The failure of bond prices to benefit from Tuesday's downward revision in U.S. economic growth was not easily explained and the picture became even less clear yesterday after the release of much lower than expected U.S. durable goods orders.

## STERLING EXCHANGE RATE INDEX

(Bank of England)	Nov 21	Previous
8.30 am	75.1	76.1
9.00 am	75.8	76.1
10.00 am	75.8	76.1
11.00 am	75.7	76.1
Noon	75.4	76.1
1.00 pm	75.6	76.0
2.00 pm	75.5	76.1
3.00 pm	75.5	76.1
4.00 pm	75.1	76.0

## £ in New York

	Nov 21	Previous	Close
1 Opot	51.2510-1.2580	51.2580-1.2680	51.2580
1 month	51.2510-1.2580	51.2580-1.2680	51.2580
3 months	51.2510-1.2580	51.2580-1.2680	51.2580
6 months	51.2510-1.2580	51.2580-1.2680	51.2580
1 year	51.2510-1.2580	51.2580-1.2680	51.2580

## FINANCIAL FUTURES

### LONDON

Contract	Open	High	Low	Prev
Dec	90.31	90.40	90.33	90.35
March	90.01	90.02	89.98	89.94
June	89.87	89.87	89.89	89.87
Sept	89.75	89.75	89.87	89.84
Dec	89.77	89.75	89.77	89.77

### CHICAGO

Contract	Open	High	Low	Prev
Dec	90.28	90.38	90.25	90.28
March	90.01	90.02	89.98	89.94
June	89.87	89.87	89.89	89.87
Sept	89.75	89.75	89.87	89.84
Dec	89.77	89.75	89.77	89.77

### U.S. TREASURY BONDS

Contract	Open	High	Low	Prev
Dec	71.21	71.25	71.11	71.20
March	70.26	70.26	70.26	70.25
June	70.01	70.02	69.98	69.94
Sept	69.75	69.75	69.87	69.84
Dec	69.77	69.75	69.77	69.77

### U.S. TREASURY BILLS

Contract	Open	High	Low	Prev
Dec	90.77	90.78	90.74	90.76
March	90.72	90.72	90.72	90.72
June	90.64	90.64	90.64	90.64
Sept	90.56	90.56	90.56	90.56
Dec	90.58	90.58	90.58	90.58

## EMS EUROPEAN CURRENCY UNIT RATES

Country	Unit	Rate	% Change
Belgian Franc	44.5000	44.5000	+0.27
Dutch Guilder	3.7603	3.7603	-0.28
French Franc	6.5596	6.5596	-0.27
Italian Lira	2036.27	2036.27	-0.12
Spanish Ptas	166.64	166.64	-0.24
Portuguese Escudo	200.48	200.48	-0.24
Irish Punt	7.8756	7.8756	-0.24

## POUND SPOT—FORWARD AGAINST POUND

Nov 21	Day's spread	Close	One month	Three months	Six months
U.S.	1.2785-1.2910	1.2720-1.2880	0.97-0.98 pm	0.54-0.55 pm	0.11
Canada	1.6130-1.6250	1.6120-1.6280	0.12-0.13 pm	0.12-0.13 pm	0.12
Netherlands	4.15-4.21	4.17-4.18	1-1/2 pm	1-1/2 pm	1-1/2 pm
Belgium	74.70-75.10	74.70-75.10	2 1/2 dia	2 1/2 dia	2 1/2 dia
Denmark	13.25-13.47	13.25-13.28	1-1/2 pm	1-1/2 pm	1-1/2 pm
Ireland	1.1878-1.2019	1.1921-1.2028	0.33-0.35 dia	0.33-0.35 dia	0.33
West Germany	2.52-2.54	2.51-2.53	0-1/2 dia	0-1/2 dia	0-1/2 dia
Portugal	186.00-202.85	186.70-200.70	180-950 dia	180-950 dia	180-950 dia
Spain	206.80-208.00	207.50-207.70	50-80 dia	50-80 dia	50-80 dia
Italy	2.28-2.32	2.28-2.32	0-1/2 dia	0-1/2 dia	0-1/2 dia
Norway	n/a	n/a	n/a	n/a	n/a
France	11.29-11.44	11.35-11.36	1-1/2 dia	1-1/2 dia	1-1/2 dia
Sweden	10.56-10.59	10.56-10.59	0-1/2 dia	0-1/2 dia	0-1/2 dia
Japan	228-209	228-209	0-1/2 pm	0-1/2 pm	0-1/2 pm
Austria	25.28-28.28	25.28-28.28	1-1/2 pm	1-1/2 pm	1-1/2 pm
Switzerland	3.05-3.08	3.05-3.07	1-1/2 pm	1-1/2 pm	1-1/2 pm

## DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 21	Day's spread	Close	One month	Three months	Six months
U.S.	1.2785-1.2910	1.2720-1.2880	0.97-0.98 pm	0.54-0.55 pm	0.11
Canada	1.6130-1.6250	1.6120-1.6280	0.12-0.13 pm	0.12-0.13 pm	0.12
Netherlands	4.15-4.21	4.17-4.18	1-1/2 pm	1-1/2 pm	1-1/2 pm
Belgium	74.70-75.10	74.70-75.10	2 1/2 dia	2 1/2 dia	2 1/2 dia
Denmark	13.25-13.47	13.25-13.28	1-1/2 pm	1-1/2 pm	1-1/2 pm
Ireland	1.1878-1.2019	1.1921-1.2028	0.33-0.35 dia	0.33-0.35 dia	0.33
West Germany	2.52-2.54	2.51-2.53	0-1/2 dia	0-1/2 dia	0-1/2 dia
Portugal	186.00-202.85	186.70-200.70	180-950 dia	180-950 dia	180-950 dia
Spain	206.80-208.00	207.50-207.70	50-80 dia	50-80 dia	50-80 dia
Italy	2.28-2.32	2.28-2.32	0-1/2 dia	0-1/2 dia	0-1/2 dia
Norway	n/a	n/a	n/a	n/a	n/a
France	11.29-11.44	11.35-11.36	1-1/2 dia	1-1/2 dia	1-1/2 dia
Sweden	10.56-10.59	10.56-10.59	0-1/2 dia	0-1/2 dia	0-1/2 dia
Japan	228-209	228-209	0-1/2 pm	0-1/2 pm	0-1/2 pm
Austria	25.28-28.28	25.28-28.28	1-1/2 pm	1-1/2 pm	1-1/2 pm
Switzerland	3.05-3.08	3.05-3.07	1-1/2 pm	1-1/2 pm	1-1/2 pm

## OTHER CURRENCIES

Nov. 01	£	/\$	/\$	Note Rates
Argentina Peso	187.89-168.18	186.72-186.84	186.72-186.84	36.00-36.50
Australian Dollar	1.6130-1.6250	1.6120-1.6280	1.6120-1.6280	10.00-10.00
Brazil Cruzeiro	3,545.7-3,585.01	3,545.7-3,585.01	3,545.7-3,585.01	13.40-13.53
Canadian Dollar	1.6130-1.6250	1.6120-1.6280	1.6120-1.6280	11.50-11.60
Finland Markka	7.8901-7.9250	7.8901-7.9250	7.8901-7.9250	11.50-11.60
Greek Drachma	131.15-134.58	131.00-134.58	131.00-134.58	21.71-2.75
Hong Kong Dollar	8.4580-8.5580	8.4580-8.5580	8.4580-8.5580	22.90-23.25
Indian Rupee	46.80-47.20	46.80-47.20	46.80-47.20	201-200
Korean Won	200.00-200.00	200.00-200.00	200.00-200.00	4.19-4.25
Luxembourg Franc	74.70-74.80	74.70-74.80	74.70-74.80	10.78-10.88
Malaysian Dollar	2.8071-2.8250	2.8071-2.8250	2.8071-2.8250	218-217
New Zealand Dollar	2.4860-2.4910	2.4870-2.4900	2.4870-2.4900	306-314
Saudi Arabian Riyal	4.2460-4.2510	4.2460-4.2510	4.2460-4.2510	10.65-10.75
Singapore Dollar	2.8071-2.8250	2.8071-2.8250	2.8071-2.8250	4.07-4.10
South African Rand	3.1927-3.2013	3.1927-3.2013	3.1927-3.2013	1.824-1.824
U.A.E. Dirham	4.4815-4.4865	4.4795-4.4795	4.4795-4.4795	270-270

## CURRENCY MOVEMENTS

Nov 20	Bank of England	Foreign Exchange	Nov 01	Bank of England	Foreign Exchange
Starting	75.1	18.1	Starting	75.1	18.1
U.S. dollar	140.9	27.5	U.S. dollar	140.9	27.5
Canadian dollar	74.7	10.7	Canadian dollar	74.7	10.7
Australian dollar	111.7	3.5	Australian dollar	111.7	3.5
Japanese yen	228	10.7	Japanese yen	228	10.7
Deutsche mark	101.9	8.7	Deutsche mark	101.9	8.7
Swiss franc	82.1	9.5	Swiss franc	82.1	9.5
French franc	111.0	3.5	French franc	111.0	3.5
Italian lira	64.9	15.0	Italian lira	64.9	15.0
Yen	160.1	11.8	Yen	160.1	11.8

## CURRENCY RATES

Nov. 01	Bank of England	Foreign Exchange	Nov. 01	Bank of England	Foreign Exchange
U.S. dollar	1.2785-1.2910	1.2720-1.2880	U.S. dollar	1.2785-1.2910	1.2720-1.2880
Canadian dollar	1.6130-1.6250	1.6120-1.6280	Canadian dollar	1.6130-1.6250	1.6120-1.6280
Australian dollar	1.6130-1.6250	1.6120-1.6280	Australian dollar	1.6130-1.6250	1.6120-1.6280
Japanese yen	228-209	228-209	Japanese yen	228-209	228-209
Deutsche mark	101.9	8.7	Deutsche mark	101.9	8.7
Swiss franc	82.1	9.5	Swiss franc	82.1	9.5
French franc	111.0	3.5	French franc	111.0	3.5
Italian lira	64.9	15.0	Italian lira	64.9	15.0
Yen	160.1	11.8	Yen	160.1	11.8

## EXCHANGE CROSS RATES

Nov. 01	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.288	3.700	301.5	11.36	3.070	4.178	999	1.418	74.75
U.S. Dollar	0.818	1	3.019	187.4	0.850	2.501	3.407	187.4	1.318	60.90
Deutsche Mark	0.270	0.259	1	61.48	4.070	0.830	1.278	0.814	0.437	30.90
Japanese Yen	1.6117	1.627	16.27	1	10.174	13.286	10.174	1	0.874	66.90
French Franc	0.089	0.089	1.081	3.288	208.5	10	3.778	2024	1.425	65.88
Swiss Franc	0.320	0.320	0.400	1.205	98.21	3.700	1.361	748.9	0.427	24.30
Dutch Guilder	0.380	0.380	0.896	0.896	72.17	0.736	1	590.3	0.827	17.89
Italian Lira	0.445	0.445	1.609	131.1	4.840	1.285	1.817	1000	0.704	34.01
Canada Dollar	0.618	0.708	9.897	186.0	7.019	1.807	2.080	1481	1	46.90
Belgian Franc	1.288	1.649	4.960	408.5	10.10	4.107	0.599	3070	3.165	100

## EURO-CURRENCY INTEREST RATES

Nov. 01	Sterling	Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-Mark	French Franc	Italian Lira	Belgian Franc
---------	----------	--------	-----------------	---------------	-------------	--------	--------------	--------------	---------------

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Table with multiple columns for stock symbols, prices, and market data. Includes sub-sections like 'Continued from Page 34' and various stock listings.

Pre-launch activity in Euroyen CD market

By Peter Montagnon in London
NEW ISSUE activity in the Euroyen certificate of deposit (CD) market is building up ahead of the official December 1 launch date with the announcement yesterday of a Y10m issue for the Bank of Tokyo's London branch.

Lukewarm reception for C\$150m Quebec issue

BY MAGGIE URRY IN LONDON
THE Province of Quebec yesterday launched the largest Euro-Canadian dollar bond issue yet seen totaling C\$150m. But its size and the tight terms set by lead manager Societe Generale made for a lukewarm reception in the market.

Sadas signs \$270m syndicated facility

BY FINN BARRE IN RIYADH
SAUDI PETROCHEMICAL company (Sadas) has signed a \$270m syndicated loan to provide it with the start-up funds and capital for its petrochemical complex.

Dutch launch 7.5% loan

THE HAGUE - The Dutch Finance Ministry has announced a 7.5 per cent state loan due 1001/2000. With the amount and issue price to be fixed at tender on November 27.

FT INTERNATIONAL BOND SERVICE

Table listing various international bonds with columns for issuer, amount, and price. Includes sub-sections like 'U.S. DOLLAR', 'EURO DOLLAR', and 'SWISS FRANC'.

Henry Ansbacher & Co. Limited furnish the following information on behalf of Groupe Bruxelles Lambert S.A. in respect of a rights issue.

Advertisement for Groupe Bruxelles Lambert rights issue. Includes details about the rights issue of 3,438,897 new shares, terms, and subscription period.